



हिन्दुस्तान कॉपर लिमिटेड  
HINDUSTAN COPPER LIMITED

THE COPPER MINER  
TO THE NATION

ANNUAL REPORT  
2012-2013



## **Corporate Vision**

To strive to be a leading metal mining company and maximize total shareholder return by sustainably finding, developing, and mining copper ore and such other geologically associated minerals.

## **Corporate Mission**

- ◆ To achieve sustainable growth in business through optimum & efficient use of existing resources and assets.
- ◆ To achieve rapid expansion of mining capacity through expansion of existing mines, re-opening of closed mines and green field projects.
- ◆ Detailed exploration of existing mines and new mining leases to expand mining capacity.
- ◆ To enhance the value of the Company by focusing on performance improvement.
- ◆ To assimilate state-of-the-art technology in exploration, mining and beneficiation of ores for competitive advantage.
- ◆ To strive for continuous improvement in productivity and energy to bring at par with the best internationally.
- ◆ To continue innovation through research & development.



# HINDUSTAN COPPER LIMITED

(A Government of India Enterprise)

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## **Auditors**

M/s. S. Ghose & Co., Kolkata  
M/s. A. Kayes & Co., Kolkata

## **Bankers**

State Bank of India  
State Bank of Bikaner and Jaipur  
United Bank of India  
Indian Overseas Bank  
Punjab National Bank  
State Bank of Hyderabad

## **Registrar and Transfer Agent**

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

## **Registered Office**

“Tamara 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

### **Important Communication to Members**

Members are requested to convert their shares into electronic mode and register e-mail and Bank account details for better servicing. Please refer notes to AGM notice at page 4 & 5

Forty Sixth Annual General Meeting on Friday, September 20, 2013 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



**K. D. Diwan**  
*Chairman-cum-  
Managing Director*



**Arun Kumar**  
*Director*



**Sujata Prasad**  
*Director*



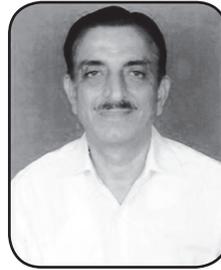
**Anupam Anand**  
*Director  
(Personnel)*



**Avijit Ghosh**  
*Director (Mining)*



**S. Nanda**  
*Director  
(Operations)*



**Raajnish Gossain**  
*Director*



**Apurba Kumar Sarmah**  
*Director*



**Arvind Sahay**  
*Director*



**Gyan P. Joshi**  
*Director*



**Puneesh Kr. Kapoor**  
*Director*



**Bulbul Sen**  
*Director*

*As on date of printing*



## NOTICE FOR ANNUAL GENERAL MEETING

Notice is hereby given that 46th Annual General Meeting of the members of Hindustan Copper Limited will be held on Friday, the 20th September, 2013 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, 2013, 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 Arvind Sahay, who retires by rotation and is eligible for reappointment.
- 4) To appoint a director in place of Shri Gyan P Joshi, who retires by rotation and is eligible for reappointment.
- 5) To appoint a director in place of Shri Puneesh Kumar Kapoor, 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 Arun Kumar as Director on the Board of the Company with effect from 28.1.2013 in terms of Ministry of Mines' order No.10(2)/2002-Met.III dated 28.1.2013 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 Ms. Bulbul Sen as Director on the Board of the Company with effect from 19.3.2013 in terms of Ministry of Mines' order No.10/1/2012-Met.III(Vol.I) dated 19.3.2013 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 Ms. Sujata Prasad as Director on the Board of the Company with effect from 30.4.2013 in terms of Ministry of Mines' order No.10(2)/2002-Met.III dated 30.4.2013 be and is hereby approved."
- 10) To consider and, if thought fit, to pass with or without modifications, the following resolution as Ordinary Resolution:  
"RESOLVED THAT appointment of Shri S Nanda as Director (Operations) of the Company with effect from 6.5.2013 in terms of Ministry of Mines' order No.10(5)/2011-Met.III (Vol.II) dated 30.4.2013 be and is hereby approved."

By order of the Board

Place: Kolkata  
Date: 20th August, 2013

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 17th September, 2013 to 20th September, 2013 (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 16th September, 2013.
- 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 terms of Circular No.CIR/MRD/DP/10/2013 dated 21st March, 2013 issued by SEBI, henceforth payment of dividend will be made through any Reserve Bank of India approved electronic mode of payment such as ECS / NECS / NEFT etc. only. Further, in order to enable usage of electronic payment instruments as per above SEBI Circular, the Company is required to maintain requisite bank account details of its investors. Accordingly, Members are requested to provide correct Bank Account details (including MICR No., IFSC Code, Account Type etc.) to their Depository Participant if the shares are held in demat form. In case the shares are held in physical form, such details along with a cancelled cheque should be sent to the the Company's Registrars & Share Transfer Agent (RTA), M/s. C B Management Services (P) Limited in order to enable the Company to credit the dividend amount directly to your Bank account. In case of non availability of MICR No. and IFSC Code, Dividend Warrant will be sent after mandatorily printing your Bank particulars on it. 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) **In terms of SEBI Circular No CIR / CFD /DIL /8 /2012 dated 13th August, 2012, Business Responsibility Report (BRR) has been prepared and hosted on the website of the Company [www.hindustancopper.com](http://www.hindustancopper.com). Members desiring to have copy of BRR may send a request to this effect to the RTA, M/s. C B Management Services (P) Ltd,P- 22, Bondel Road, Kolkata- 700 019 or send e-mail at [investors\\_cs@hindustancopper.com](mailto:investors_cs@hindustancopper.com)**



- ix) Pursuant to the Circular 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 or Registrars & Share Transfer Agent (RTA) or 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 address 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 Shareholders, who are still holding shares in physical form are requested to take immediate action to demat their shares to avail easy liquidity since trading of shares of the Company are under compulsory Demat mode as per the regulation of SEBI and also to prevent any loss of physical Share Certificate.
- xi) 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.
- xii) Members are requested to:-
- produce the enclosed Attendance Slip duly filled & signed as per specimen signature recorded with the Company / Depository Participants for admission to the meeting venue.
  - bring their Client ID and DP ID numbers for easy identification of attendance at the meeting in respect of shares held in dematerialized form.
  - bring their copy of Annual Report to the meeting as extra copies shall not be provided.
  - quote their Folio / Client ID & DP ID Nos in all correspondence.
  - note that due to security reasons, brief case, eatables and other belongings are not allowed inside the meeting venue.
  - note that no gifts / coupons shall be given to the members attending the meeting.**
- xiii) 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.
- xiv) Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of Item no 7, 8, 9 & 10 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 Arun Kumar, Joint Secretary, Ministry of Mines, Government of India has been appointed as part-time official Director of the Company with effect from 28.1.2013 in terms of Ministry of Mines' order No. 10 (2)/2002-Met. III dated 28.1.2013. It is now proposed to regularise his appointment at the ensuing 46th AGM of the Company in order to comply with the relevant provisions of the Companies Act, 1956

Shri Arun Kumar obtained his Mechanical Engineering degree from the Council of Engineering Institute, London in 1978. His initial career started with the Indian Railways in 1980, as a Mechanical Engineer, where he worked for just over 3 years after which he was selected in the Indian Administrative Service in 1983 and posted in the State of Assam. Shri Kumar looked after general development and magisterial work in the State of Assam. Towards later part of his career, he gravitated to industry-oriented assignments. He worked as Managing Director of two spinning mills of Assam for a period of a year. During his last 3 years' tenure, he has looked after the Rural Development Programmes as well as Mines and Minerals Department in the State of Assam. While working in the State of Assam in the Rural Development sector, he was awarded Third Prize at the National Level for implementation of an on-line model accounting system for local bodies. He served the Government of India for 12 years. He worked for eight years in the Ministries of Small Scale Industries and the Food Processing Industry. The mandate essentially was to look at various policies for these industrial sectors as well as to manage specific government mandated assistance programmes for this sector for the nation as a whole. He also held the position of Export Commissioner in the Ministry of Commerce and Industry which brought him into sphere of policy making for the International trade regimes of the country. He has been Chief Vigilance Officer for the Rural Electrification Corporation of India, which is a major player at the national level in extending long term finance for the distribution, transmission and power generation sectors in India.

Since joining the Ministry of Mines in Government of India in January 2012, he has been looking after International Cooperation desk and the Metals desk dealing with Aluminum and Copper as well as exploration agency and para-statal organizations working in this sector.

Shri Arun Kumar 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 Arun Kumar is in any way concerned or interested in the resolution.

#### Item No.8

Ms. Bulbul Sen, Ex-Chief Commissioner of Income Tax has been appointed as part-time non-official Director of the Company with effect from 19.3.2013 in terms of Ministry of Mines' order No. 10/1/2012-Met.III (Vol.I) dated 19.3.2013. It is now proposed to regularize her appointment at the ensuing 46th AGM of the Company in order to comply with the relevant provisions of the Companies Act, 1956.

Ms. Bulbul Sen is MA, MBA (Slovenia), Post Graduate Diploma in Public Administration (Paris) and belongs to the 1977 Batch of the Indian Revenue Service. She has been trained at premier national and international institutions in Public Administration, Management, Tax Administration & Tax Policy and WTO-related commercial law, like the Lal Bahadur Shastri National Academy of Administration, Mussoorie, National Academy of Direct Taxes, Nagpur, Institut International d'Administration Publique, Paris, the E.U. Secretariat, Brussels (Internship) and the International Centre for Public Enterprises, Ljubljana, Slovenia (for MBA, with specialisation in WTO issues). She has varied experience in Tax Planning, Tax Management, WTO issues, Human Resource Management, administration, including tax administration through online digital networks, while working in various technical & administrative posts in the Income tax Department and on deputation as Joint Secretary (Tax Planning & Legislation) in the Department of Revenue, Director in the Ministries of Commerce (International Trade Policy Division) and Food, Civil Supplies & Consumer Affairs. She also has experience in monitoring the performance of PSUs and handling consumer affairs, while Deputy Secretary/Director in the Ministry of Food, Civil Supplies &



Consumer Affairs. Her international experience includes representing India at various international conferences, including the Geneva and Seattle Ministerial Conferences of the WTO (1998 & 1999 respectively), the Conference of SAARC Commerce Ministers, Male, the Maldives (1999), the Cartagena Protocol on Bio-Safety, Colombia (1999), the South Summit of the Group of 77 Commerce Ministers, Havana, Cuba (2000) as part of the Indian delegation headed by the then Hon'ble Commerce & Industries Minister ; the annual meeting of Commonwealth Tax Administrators, London, 2005, as head of the delegation; as also the Expert Group Meeting on 'Transparency, Competition and Objectivity in Public Procurement', Luxemburg, Austria, 2012, as a member of the UNODC, South Asia Office's team of Indian experts on Government Procurement.

She has published articles on Tax Policy issues and Public Procurement Policy in the Economic Times, Business Standard etc. journals. Her published books include one on the implications of joining the WTO for the developing and developed countries (Jawahar Publishers, 1996) and the major chapters of a study on public procurement in India, published by CUTS International ('Government Procurement in India: Domestic Regulations & Trade Prospects', October, 2012).

Ms. Bulbul Sen is also a director on the Board of Heavy Engineering Corporation Ltd. She does not hold any shares in HCL.

None of the Directors of the Company except Ms. Bulbul Sen is in any way concerned or interested in the resolution.

#### **Item No.9**

Ms. Sujata Prasad, Joint Secretary & Financial Advisor, Ministry of Mines, Government of India has been appointed as part-time official Director of the Company with effect from 30.4.2013 in terms of Ministry of Mines' order No. 10(2)/2002-Met.III dated 30.4.2013. It is now proposed to regularize her appointment at the ensuing 46th AGM of the Company in order to comply with the relevant provisions of the Companies Act, 1956

Ms. Sujata Prasad is MA from Jawaharlal Nehru University, Delhi, Diploma holder, Harvard School of Public Health and belongs to the 1983 batch of the Indian Civil Accounts Service. In addition to her current position as Joint Secretary and Financial Adviser (JS&FA), Ministry of Coal, Ms. Sujata Prasad is also the JS&FA of the Mines, Corporate Affairs, Youth Affairs and Sports Ministries. Earlier, she had held senior managerial positions in different Ministries and Departments of the Central Government. This includes her last stint as the Head of a Training /Research Institute of the Ministry of Finance, Government of India. She had spent five years with the Government of Bihar and an equal number of years as Senior Financial Adviser of All India Institute of Medical Sciences. Ms. Prasad has co-authored a book on Health Security, edited an International Journal on Public Policy and published several Research Papers on different aspects of gender, public health, poverty and development.

Ms. Sujata Prasad is also a Government nominee official Director on the Board of Coal India Limited, Hindustan Zinc Limited, Bharat Aluminium Company Limited. She does not hold any shares in HCL.

None of the Directors of the Company except Ms. Sujata Prasad is in any way concerned or interested in the resolution.

#### **Item No.10**

Shri S Nanda has been appointed as Director (Operations) of the Company in terms of Ministry of Mines' order No. 10(5)/2011-Met.III (Vol.II) dated 30.4.2013 and he joined with effect from 6.5.2013. It is now proposed to regularize his appointment at the ensuing 46th AGM of the Company in order to comply with the relevant provisions of the Companies Act, 1956.

Shri S Nanda is B.Tech from IIT, Kanpur, M.Sc (Engg.) and ADIM. Shri Nanda had worked in various capacities in L&T at their Iron & Steel Foundry from 1977 to 1986. He joined Nalco in 1986 when the Company was in its commissioning stage. In Nalco, Shri Nanda held key managerial positions in Smelter, Operations, Projects & R&D functions. Before joining HCL, Shri Nanda was General Manager (Projects) at Nalco Smelter Division.

Shri S Nanda 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 S Nanda 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 Arvind Sahay**

Shri Arvind Sahay, Professor, Indian Institute of Management (IIM), Ahmedabad was 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.

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.

**Shri Gyan P Joshi**

Shri Gyan P Joshi, former IAS Officer & Ex-MD, GSFC was 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.

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.

**Shri Puneesh Kumar Kapoor**

Shri Puneesh Kumar Kapoor, Practicing Chartered Accountant, was 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.

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 practicing Chartered Accountant for over 24 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.



## 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
  - vi) IFSC (Indian Financial System 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)



## REPORT OF THE BOARD OF DIRECTORS

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

Your Directors have pleasure in presenting the forty fifth annual report of the Company together with the audited statement of accounts and auditors' report thereon for the year ended 31 March, 2013.

### 1. Financial Review

#### i. Financial Performance

The comparative working results for the FY 2012-13 vis-à-vis FY 2011-12 are as under:

(₹ in crore)

		2012-13	2011-12
(a)	Turnover	1475	1638
(b)	Profit before depreciation, interest & tax	426	492
(c)	Less: Depreciation	18	18
(d)	Less: Interest & Finance Charges	4	1
(e)	Profit before tax	404	473
(f)	Less: Provision for Taxes(including deferred tax)	48	150
(g)	Profit after tax	356	323
(h)	Add:/(less) Statutory appropriation	0	0
(i)	Distributable Profit	356	323
(j)	Add: Balance brought forward from the previous year	682	491
(k)	Balance available for appropriation	1038	814
	i) Dividend	93	93
	ii) Corporate Dividend Tax	16	15
	iii) Amount transferred to General Reserve	26	24
(l)	Balance in P&L account to be carried forward	903	682
(m)	Earnings per Share(₹)	3.84	3.50

During FY 2012-13 HCL posted a Profit before tax (PBT) of ₹404 crore as against ₹473 crore clocked during the previous year registering a fall of around 14.66%. This has been mainly due to a fall in production of in-house Metal-In-Concentrate as well as lower sales volume of finished copper products partially offset by selling price gain and provisions written back. However the Profit after tax (PAT) during FY 2012-13 logged a growth of about 9.95% by achieving a number of ₹356 crore thereby registering the highest ever net profit in the history of the Company since inception due to the deferred tax liability amounting to ₹57.23 crore written back as pointed out by CAG auditors.

#### 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 ₹5/- face value for the year 2012-13, for approval of shareholders in the annual general meeting. The outgo on this account will be ₹92.52 crore for dividend and ₹15.72 crore towards tax on dividend, aggregating to a total outgo of ₹108.24 crore. Your Directors have proposed to transfer ₹26.71 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 2012-13 vis-à-vis 2011-12 is as under:

Particulars	2012-13	2011-12
Ore ('000 tonnes)	3,657	3,479
Metal- in- concentrate (MIC) (tonnes)	29,285	31,377
Cathode (tonnes)	24,210	28,358
CC Wire Rod (tonnes)	20,368	26,310
Sales(tonnes):		
CC Rod	20,729	24,672
Cathode	3,783	2,719
MIC	1,330	4,122

Ore production of 36.57 lakh tonnes during the year is the highest in last 13 years and 105% of the corresponding production in the previous year.

Metal-in-Concentrate (MIC) production of 29,285 tonnes during the year is 93% compared to previous year.

Cathode production of 24,210 tonnes (including tolled cathode) is 86% compared to the previous year.

Wire rod production of 20,368 tonnes during the year is 77% compared to the previous year.

### Factors Affecting Performance

Repeated breakdown of crushing and hoisting systems at Kolihan and Khetri underground mines of Khetri Copper Complex (KCC) and backlog of mine development restricted achievement of higher ore production. Ore production at Malanjkhand Copper Project (MCP) suffered due to shortfall in excavation work (over burden removal) on account of breakdown of loading equipment and low availability of hauling equipment. MIC production during the year suffered due to low grade of mined ore at MCP and low process recovery of Concentrator Plant at KCC. Also, delay in providing transport challan from District Mining Office caused less production of MIC at Indian Copper Complex (ICC).

Cathode production suffered due to collapse of flash furnace roof at ICC, for which the plant was under shutdown for about 35 days during the year.

### Remedial Action

Since majority of KCC & MCP equipment are more than 30 years of age therefore they are prone to frequent breakdown, the Company has made a comprehensive Replacement & Renewal (R&R) plan during the year 2013-14 in order to improve the reliability and availability of the equipment deployed in both underground and open cast mines, for which an amount of ₹38.0 Crore has been allocated by the Company under R&R budget.

Necessary steps have been initiated to enhance excavation at MCP open pit to expose additional ore face. Also, 124 ML new level at Kolihan underground mine at KCC is scheduled to be commissioned for production during 2013-14. Besides, major overhauling of ICC smelter & refinery has been planned during 2013-14 to improve process efficiency and to get enhanced cathode production on a sustained basis.

## 3. Product wise sales Performance

The Company maintained 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	2012-13	2011-12
CC Rod	20,729	24,672
Cathode	3,783	2,719
Metal In Concentrate (MIC)	1,330	4,122
<b>Total</b>	<b>25,842</b>	<b>31,513</b>



#### 4. Status of Disinvestment

During the year, the Government of India, pursuant to SEBI guidelines for 'Offer for Sale' through the Stock Exchange mechanism has sold 5,16,04,148 equity shares (5.58%) from out of its existing shareholding in the Company on 23 November, 2012 and mobilized an amount of ₹807.92 crores. Consequent to the above disinvestment of shares, the Government shareholding in the Company has come down from 99.59% to 94.01%. In order to comply with 10% Minimum Public Shareholding (MPS) for listed Public Sector Companies as per SEBI guidelines, at least 4.01% Government equity in the Company to be further divested before 8 August, 2013.

#### 5. Mine Expansion Schemes

The Company has rolled out the mine expansion plan to increase mine production to 12.4 Million tonne from present 3.4 Million Tonne. The scheme envisages expansion of Malanjkhand, Khetri, Kolihan 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. Malanjkhand Copper Project

It is proposed to expand the production of Malanjkhand 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 ₹1856.74 crore. CCEA has approved the investment proposal in September, 2011 and Letter of Intent (LoI) was already issued to the successful bidder. The work on the project will commence as soon as environmental clearance for the project is in place. Expert Appraisal Committee (EAC) of Ministry of Environment & Forests (MoEF) has recommended the Project for Environmental Clearance in its meeting held on 29.08.2012 and a formal letter from MoEF in this regard is awaited.

##### ii. Khetri, Kolihan and Banwas mine

The proposed expansion of Khetri & Kolihan 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 ₹96.77 crore.

Kolihan Mine: Tender for Kolihan mine 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. Request for Qualification (RFQ) was already issued to shortlist the prospective bidders. Awarding of jobs to prospecting Bidders is in progress

##### 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.

##### v. 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 ₹73.84 crore.



**vi. 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 order of the Hon'ble Calcutta High Court. The L-1 bidder has gone to Calcutta High Court for award of the contract to him. As per the direction of the Hon'ble Calcutta High Court the process of awarding the contract to L-1 bidder is in progress.

**vii. 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 ₹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) Reconnaissance permit (RP) deed has been signed with Government of Madhya Pradesh on 04.03.2013 for reconnaissance survey for Copper and associated minerals over an area of 580.73 square kilometers in Balaghat District Madhya Pradesh. The Company plans to start the work during this fiscal.
- ii) Mining Lease application has been submitted for Dhobani Pathargora Intervening Block and has been already scrutinized in the district level.
- iii) 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 authorities for obtaining the permits and leases.

**7. Safety**

Safety remains high priority area, and the Company is always aiming to achieve “Zero Accident”.

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.

During the year, Hon'ble President of India gave National Safety Award (Mines) to Khetri mine on the following categories:

- i. For the year 2008, Winners' Trophy for the lowest injury frequency rate.
- ii. For the year 2009, the Runners Up Trophy for the longest accident free period.
- iii. For the year 2010, the Runners Up trophy for the lowest injury frequency rate.

Also following awards were received during the Year at Regional level:

- i. KCC Group won 1st Prize on “First Aid Competition” on 26th Mine Safety Week, Ajmer Region in 2012-13
- ii. KCC Group won Six Shields & Seven individual prizes in All India Rescue Competition in 2012-13.
- iii. Nagpur Zone-II, under jurisdiction of DGMS, Malanjkhand Mine won prizes in ten categories in Mine Safety Competition 2012 - 2013.

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.



## 8. Management Discussion and Analysis

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

## 9. Corporate Social Responsibility

The CSR Plan for 2012-13 was firmed up, in accordance with the DPE guidelines - 2010, in association with M/s National Institute of Rural Development (NIRD) based on Participatory Rural Appraisal (PRA) exercises in the villages after focused discussion with the villagers to assess their felt needs. The plan was approved by the Board in its 339th Meeting, held on 29th May, 2012. The Company's CSR activities were implemented at selected villages (total nineteen) located in the periphery of each of its three major Units viz., Indian Copper Complex (ICC) at Ghatsila (Jharkhand), Khetri Copper Complex (KCC) at Khetri (Rajasthan) and Malanjkhand Copper Project (MCP) at Malanjkhand (Madhya Pradesh) through Non-Governmental Organizations (NGOs). A Third Party Assessment was conducted by Management Development Institute, Gurgaon in December 2012 to evaluate the impact of the CSR activities undertaken. An estimated expenditure of ₹5.13 Crore has been achieved for the planned activities till 31st March, 2013, against the approved budget of ₹7.11 Crores.

Brief details of the projects undertaken during 2012-13 are as under.

1. Livelihood promotion: Schemes included Vermi Compost production, System of Rice Intensification (SRI) method of Paddy cultivation, Dona Pattal Making, Handloom weaving unit, Tassar Spinning Unit, Jute Items, Mushroom cultivation.
2. Women Empowerment: Integrated Group activities like strengthening and capacity building of Community based organizations through Self Help Group, exposure visits of progressive farmers/women to different development institution etc.
3. Water (Conservation / Recharge of ground Water & Drinking Water): Program were pertaining to Water Harvesting, Deepening of existing Pond with inlet & outlets, Construction of Rain water harvesting Structure through Central Institute of Mining and Fuel Research(CIMFR) Dhanbad, Supply of water filter at Anganwari Centre for safe drinking water, construction of Prototype safe water drinking (Borewell with motor fitting), Construction of new Borewell with installation of hand pump were undertaken.
4. Health and Sanitation: Focal areas included Construction/Support for Household Sanitation (in collaboration with State Sanitation Program/Total Sanitation Program, provisioning for Individual Toilets, Health camp with use of existing Mobile unit, Eye/ Dental camps.
5. Plantation / Agriculture / Animal Husbandry: Maintenance of last year plantation at Surda Mines & River side area, turmeric, ginger cultivation and Organic farming, while special effort was made to organize Veterinary camp at KCC and MCP which also included immunization programmes for vets.
6. Skill / Vocational Training & Education: Reading Skill Improvement Program for girl child, Inter state skill training at National Academy of Construction, Hyderabad, Vocational Training on Plumbing and Sanitation including Skill certification.
7. Village Infrastructure & Construction / Rural Energy supply: Construction of Boundary wall of CSR Community Centre Building, Installation of Solar Streetlights at community place/Remote tola to name a few.



## **10. 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.

Both the in-house journals viz. Tamralipi and C/o Conscience have received the In-house Communication Excellence (ICE) Certificate of Merit at the ICE Awards 2012 presented by the Shailaja Nair Foundation, Mumbai.

Tamralipi was awarded by Town Official Language Committee (PSUs), Kolkata “Rajbhasha Award Scheme-2011-12” on 30.08.2012. The journal also received the Griha Patrika Puraskar (Vishesh Prasansa Puraskar), from the Nagar Rajbhasha Karyanwayan Samity (Upkram), Delhi, for the year 2011-12.

The Company was awarded in recognition of Excellence in Design and Concept, National Category, at the 9th Minerals, Metals, Metallurgy and Materials International Exhibition 2012 held at New Delhi from 27.09.2012 to 30.09.2012.

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

All the requirements / provisions of the Right to Information Act 2005 have been complied with during the year 2012-13.

## **12. Vigilance Activities**

Vigilance is an essential management tool to be used to ensure quality output following the rules of corporate governance to support the organization on a higher growth trajectory. As part of preventive vigilance effort corporate management is being advised to take initiatives towards system strengthening through adherence to set procedure and guidelines, due diligence, analysis of audit reports and its incorporation in corporate decision making.

Focus is on preventive vigilance and leveraging of information technology with a view to minimize scope for corruption and assisting the management in improving the systems and procedures supplemented with capacity building initiatives in collaboration with CVC

## **13. Official Language Implementation**

During the year, HCL made constant endeavour to increase use of Hindi in its Units/Offices. Raj Bhasha Pakhwara and Hindi Diwas were celebrated in the Units/Offices from 14th to 28th September, 2012. 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 Salahakar Samiti, Ministry of Mines held on 11th July, 2012 at Vigyan Bhawan Annexe, New Delhi under the Chairmanship of Hon’ble Minister of Mines was attended by CMD, HCL. The Hindi translation of Annual Report, MoU and various other jobs of the Company were done. Official Language



Implementation Committee meeting was held on 12th September, 2012 under the Chairmanship of Joint Secretary, Ministry of Mines was attended by CMD. During the year 2012-13, the Company participated in both the half-yearly meeting of Town Official Language Committee (PSUs), Kolkata held on 30 August, 2012 and 30 January, 2013. The Corporate Office and House Journal “Tamralipi” of HCL was awarded by Town Official Language Committee (PSUs), Kolkata under “Rajbhasha Award Scheme-2011-12” on 30.08.2012.

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 Word 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.

#### **14. Corporate Governance**

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

#### **15. 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, 2013.

#### **16. 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, 2013, the applicable accounting standards had been followed along with proper explanations relating to material departures/ variations.
- 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, 2013 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.

#### **17. Directors**

Shri Shakeel Ahmed ceased to be Chairman-cum- Managing Director upon attaining the age of superannuation on 31 August, 2012.

Shri Kailash Dhar Diwan appointed as Chairman-cum-Managing Director with effect from 1 September, 2012.

Shri Naresh Kumar appointed as part time Official Director vice Shri G Srinivas with effect from 4 December, 2012.

Shri Arun Kumar appointed as part time Official Director vice Shri Naresh Kumar with effect from 28 January, 2013.



Shri K K Saberwal ceased to be Director (Finance) from 25 February, 2013 upon acceptance of his resignation by the Ministry of Mines.

Smt Bulbul Sen appointed as part time Non Official Director with effect from 19 March, 2013.

Smt Sujata Prasad appointed as part time Official Director vice Smt Anjali Anand Srivastava with effect from 30 April, 2013.

Shri S Nanda appointed as Director (Operation) and joined with effect from 6 May, 2013

The Board places on record its appreciation for the valuable services rendered and contribution made by S/ Shri Shakeel Ahmed, G Srinivas, Naresh Kumar, K K Saberwal and Smt Anjali Anand Srivastava during their tenure on the Board of HCL.

#### **18. Auditors**

M/s. A Kayes & Co, Kolkata and M/s. S Ghose & Co, Kolkata were appointed as joint statutory auditors to audit the accounts of the Company for the year 2012-2013.

M/s Guha, Ghosh, Kar & Associates, Kolkata was appointed as Cost Auditor of the Company for carrying out the cost audit of Copper Ore, Concentrate, Processed Copper and articles thereof and Sulphuric Acid for the year 2012-13.

#### **19. Comments of C&AG u/s 619(4) of the Companies Act, 1956**

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, 2013 are annexed to this report.

#### **20. 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.

#### **21. 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

K D Diwan  
Chairman-cum-Managing Director

Place: Mumbai  
Date: 23rd May, 2013



**REPORT ON MANGEMENT DICUSSION AND ANALYSIS**

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

The financial performance for FY 2012-13 vis-à-vis FY 2011-12 is summarized below:

(₹ in crore)

<b>Particulars</b>	<b>2012-13</b>	<b>2011-12</b>
Sales	1475.27	1638.18
Net of Extraordinary Income/(Expenses)	0.00	0.00
Value of Production	1771.06	1704.21
Cost of production excluding depreciation, amortization and Finance Cost & Prior Period Adjustment (Net)	1212.82	1085.70
Profit before depreciation, amortization and Finance Cost & Prior Period Adjustment(Net)	558.24	618.51
Depreciation, amortisation	150.98	144.06
Finance Cost	4.28	1.53
Prior Period Adjustments(Net)	(0.63)	(0.03)
Profit/ (Loss) before tax	403.61	472.95
Provision for taxation-Current -Deferred	79.70 (31.73)	158.70 (9.22)
Profit/ (Loss) after tax	355.64	323.47

Capital Expenditure

During the year, the expenditure on account of Replacements & Renewals (R&R) of plant & machinery, mine expansion and mine development stood at ₹ 260.28 crore which was entirely funded through the internal resources of the Company and no Government support for capital expenditure was asked for.

Loans

During the year, your Company had no secured or unsecured loans in its books as it is a debt free company.

Contribution to Exchequer

During the FY 2012-13, the Company contributed a sum of ₹ 398.37 crore to the exchequer by way of duties, taxes and royalties, as against ₹ 425.82 crore in 2011-12, as detailed below:

<b>Particulars</b>	<b>₹ in crore</b>	
	<b>2012-13</b>	<b>2011-12</b>
Excise Duty	150.28	146.57
Customs Duty	0.17	0.02
Export Tax	1.35	1.85
Sales Tax	49.66	46.39
Royalty and Cess	67.23	60.66
Income Tax	116.88	156.03
Others	12.80	14.30
<b>Total:</b>	<b>398.37</b>	<b>425.82</b>

Expenditure in foreign currency

During the FY 2012-13, the Company spent foreign currency to the tune of ₹ 1.11 crore towards components, stores & spares, capital goods, traveling, advertisement etc. as compared to ₹ 1.28 crore in FY 2011-12.



Earnings in foreign exchange

During the FY 2012-13, the Company earned foreign exchange of ₹ 80.79 crore through exports of anode slime and copper reverts as against ₹ 66.50 crore earned through export of anode slime during FY 2011-12.

**2. Industry Structure and Business Scenario**

Copper on London Metal Exchange, is most sensitive to macroeconomic development and seen as signaling changes in demand for the industrial metal. Copper is a crucial component of industry and technology and its price typically reflects the health of the underlying global economy. Copper has a multitude of applications in most sectors of the economy, from homes and factories, to electronics and power generation and transmission. Thus, it is indispensable for any highly industrialized society and is often viewed as a reliable leading indicator of economic health.

Global Business Scenario

Chile accounts for 34% of the total world copper mine production, Peru, U.S.A, China, Australia, & Indonesia, together produces around 32%. As per International Copper Study Group (ICSG) forecast, world mine production in 2012 has grown by 2.9% to 16.68 million tones. It is anticipated that the production will continue to grow and additional output will arise from new operations and expansions at existing facilities due to come on stream in 2013 and 2014. World mine production for 2013 and 2014 is anticipated to grow by around 5.5% each year to 17.6 Million tonnes (Mt) and 18.5 Mt respectively. Capacity utilization of mines are expected to improve from 79% in 2011 to an average of 81% in 2013.

Growth in refined copper usage has been especially strong in Asia, where demand has expanded more than five-fold in less than 30years. Major refined copper exporting countries are Chile, Zambia, Japan, Russia & Peru, while major refined copper importing countries are China, USA, Germany, Italy, & Taiwan.

World refined copper production in 2012 was 20.11 million tonne which is 1.5% higher than the previous year. Refined copper production in 2013 is expected to grow by 4.3% to 20.98 Mt. Further growth of 5.1% is anticipated for 2014, with refined production reaching 22.05 Mt.

Refined copper demand was 20.51 million tonne, registering a growth of 2.6% over 2011. ICSG expects world apparent refined demand in 2013 to grow by only 0.3% from that in 2012 to 20.6 Mt. Although underlying industrial demand for copper in China is expected to increase by about 5% in 2013, apparent demand in China is expected to decrease as a result of much lower net refined imports. Usage in the rest of the world is expected to increase by 1.9%. With better prospects for the world economy in 2014, world usage is expected to show higher growth rates.

According to ICSG projections for 2013, the copper market is expected to have a production surplus relative to demand. World production of refined copper is expected to exceed demand for refined copper by about 415,000t, as demand will lag behind the growth in production. For 2014, although a recovery in usage is anticipated, a higher surplus is expected with increased output from new and existing mines.

Global market balances could vary from those projected owing to numerous factors including a world economic slowdown, European Union sovereign debt issues, political transitions in the Middle East and North Africa, and production shortfalls due to labor unrest, utility and capital shortages, and technical factors.

Indian Copper Scenario

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 tones. 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.



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. 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 three major players in the Indian copper industry. Hindustan Copper Ltd. (HCL) is the only integrated primary refined copper producer, the other two are Custom Smelters and depend on imported mineral in the form of concentrate either from their own mines abroad or other overseas sources.

In addition there are a few installations to produce Electro-won Copper but their capacities are still very low, and production is inconsistent.

In fiscal 2012-13, the copper ore production in India for fiscal 2012 was 3.56 million tonnes. Refined copper production in FY 2012-13 was 6.93 lakh tonnes, as compared to 6.84 lakh tonne in FY 2011-12.

The consumption of refined copper in FY13 is estimated around 6.0 lakh tonnes, which as percentage of world copper market is only three percent. However, India's copper market is expected to remain positive with strong growth in key user segments such as power, construction and engineering. The consumption of refined copper in India is expected to grow by 7-8 % in coming years on the backdrop of increased allocation and thrust in power infrastructure and housing sector in 12th Plan by Govt. of India.

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. 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.

### **4. Power Supply Position:**

Power supply position at KCC, MCP & TCP Units of the Company was satisfactory during the year.

At ICC, there were repeated power outages due to failure of the systems of Jharkhand State Electricity Board (JSEB). The Company is examining alternatives to overcome this bottleneck in future.

### **5. 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 a 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>	110.5 – 395	500
2	Sulphur dioxide (SO <sub>2</sub> )	µg/m <sup>3</sup>	3.8 – 8.6	120
3	Oxide of Nitrogen (NOX)	µg/m <sup>3</sup>	21.9 – 24	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	-	6.68 – 7.26	5.5 – 9.0
2	Total Suspended Solids	mg/lit	15 - 21	100
3	B.O.D	mg/lit	2.0 – 18	30
4	C.O.D	mg/lit	4.0 – 65.0	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 925652 tree plantations have been carried out till March'2013.

“Mines Environment & Mineral Conservation week” and “World Environment Day” are celebrated every year for sustainable development and environmental awareness under the guidance of IBM and Madhya Pradesh Pollution Control Board.

## 6. 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	2012-13	2011-12
1	ICC Smelter Power	Kwh/T	943	990
2	ICC Smelter fuel	Lit/T	483	493
3	ICC Refinery Power	Kwh/T	297	294

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

### Dust suppression of mine haul road by DUST BLOC

Study conducted for suppression of haul road dust by DUST BLOC (synthetic liquid). Result obtained is satisfactory.

### Stability of mine slope through monitoring

Monitoring carried out by M/s CIMFR, Dhanbad on quarterly basis to measure the degree of strata movement on the central foot wall area of MCP mine where fault/slip plane exists. The final report prescribing suggestive measures is expected shortly from M/s CIMFR.

### Phytoremediation research work

It has been carried out for biological reclamation of tailing dam of MCP under the guidance of Madhya Pradesh Pollution Control Board for its stability. The growth of plant is satisfactory.

### High Rate Thickner (HRT) for Concentrate at KCC

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

### Soil Restoration at MCP

At MCP a total 90500 m<sup>2</sup> area of tailing dam has been covered by turfing (8" layer of soil & manure). Dub grass planted on 90500 m<sup>2</sup> turfed area for green belt development and prevention of dust erosion due to rain and wind.

## 8. 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 ₹ 1.0 lakh 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.

On acceptance of customer booking, auto emails are being sent to respective customers

### Legal Cases computerization

A system is in place 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.

### On Line Recruitment

HCL for the first time introduced on line recruitment system wherein candidates can apply on line for the jobs advertised.

## 9. Materials Management

- i) In order to cut-short the lead time and also to obtain more discounts on bulk quantities, the Company has centralized procurement of high value and common items from its corporate office. Besides, the Company has a centralized system for finalizing logistic contracts for transportation of semi-finished and finished products across the Units/godowns.
- ii) Operations of ERP in Materials module have been further streamlined and improved for effective and efficient implementation.
- iii) The Company has continued to procure materials above a threshold value of ₹3.0 lakh through on-line Enterprise Procurement System (EPS) across all Units of HCL. Besides, hosting of detailed NIT is done on HCL website and CPP Portal in a compulsory manner for wider circulation among the prospective bidders in order to get competitive rates.
- iv) The Company enters into an Integrity Pact with the suppliers/contractors with the threshold value of ₹20 crores in case of purchase orders and ₹10 crores for work contracts, in line with the MoU HCL has signed with TII.
- v) The Company has appointed a service provider (MSTC Ltd.) to sale its scrap/obsolete/surplus items through e-auction from time to time to get better realization.

## 10. Human Resource and Industrial Relations

Manpower as on 31 March, 2013

The manpower of Hindustan Copper Limited as on 31 March, 2013 was 4498 as detailed below:

Group	Total	SC	ST	Ex-S/ Men	PH	Land Displaced Person	Minorities	OBC
A	630	92	23	3	3	0	28	54
B	69	11	7	1	0	0	0	16
C	3028	460	447	40	30	169	216	467
D	771	193	109	1	16	205	24	22
<b>Total</b>	<b>4498</b>	<b>756</b>	<b>586</b>	<b>45</b>	<b>49</b>	<b>374</b>	<b>268</b>	<b>559</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.

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 4498 as on 31 March, 2013 is 16.81%, 13.03 % and 12.43 % 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 2012-13, against a training target of 9400 man days, 100% of training target have been fulfilled

Employment of Women

The Group wise strength of female employees as on 31 March 2013 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	630	39*	6.19
B	69	1	1.44
C	3028	95	3.13
D	771	135	17.50
<b>Total</b>	<b>4498</b>	<b>270</b>	<b>6</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, 2013 is as under.

Group	Number of physically challenged persons
A	3
B	0
C	30
D	16
<b>Total</b>	<b>49</b>

Recruitment: In recruitment matters the reservation policy was adhered to as per Government of India Directives in advertisements published, wherever applicable.

Scholarship: HCL under the Scheme of Grant of Scholarship to Employee's Children takes special care and gives wide publicity for the employees by inviting application from Persons with Disability by allocating 10 scholarships for the year 2012-13.

Ramp: Ramps have been constructed at Hospital, Works and General Office for Person with Disability (PWD) so as to enable easier access to elevated areas in buildings and for their mobility with ease

Conveyance Allowance: Conveyance Allowance / Transport Subsidy to PWD employees is paid at higher rates than other employee as per Government Directives.



## 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 date of the report, the Board of Directors comprised a Chairman-cum-Managing Director, three functional directors, viz., Director(Personnel), Director(Mining) and Director (Operations), two Government directors (part-time official) representing the Ministry of Mines, Government of India and six Independent directors (part-time non-official). Post of one full time functional director viz., Director (Finance) has fallen vacant from 26 February, 2013 and also there is vacancy of one Independent director on the Board. The Ministry of Mines, Government of India shall fill up the vacant posts on the Board

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

During 2012-13, seven Board meetings were held on 13 April, 2012, 29 May, 2012, 18 July 2012, 14 August, 2012, 5 November, 2012, 10 December, 2012 and 12 February, 2013, 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 7 held	Attendance at last AGM held on 27 September, 2012	No of other directorship	No of committee position held in other companies	
				Chairman	Member
Shri Shakeel Ahmed, CMD (up to 31.8.2012)	4	NA	Nil	Nil	Nil
Shri K D Diwan Director (Operations) (up to 31.8.2012) CMD ( From 1.9.2012)	7	Yes	Nil	Nil	Nil
Shri Anupan Anand Director(Personnel)	7	Yes	Nil	Nil	Nil
Shri Avijit Ghosh Director(Mining)	7	Yes	2	Nil	Nil
Shri K K Saberwal Director (Finance) (up to 25.2.2013)	7	Yes	Nil	Nil	Nil
Shri S Nanda Director (Operations) (From 6.5.2013)	NA	NA	Nil	Nil	Nil

(ii) Part time official Directors

Shri G Srinivas*	5	No	2	Nil	Nil
Shri Naresh Kumar*	1	NA	1	Nil	Nil
Shri Arun Kumar*	Nil	NA	Nil	Nil	Nil
Smt. Anjali Anand Srivastava**	7	No	3	Nil	3
Smt Sujata Prasad**	NA	NA	3	Nil	Nil

(\*Shri Naresh Kumar appointed in place of Shri G Srinivas on 4 December, 2012 and Shri Arun Kumar appointed in place of Shri Naresh Kumar on 28 January, 2013) (\*\*Smt Sujata Prasad appointed in place of Smt Anjali Anand Srivastava on 30 April, 2013)

(iii) Part time non official Directors (Independent)

Major General (Retd.) Raajnish Gossain	7	Yes	1	Nil	Nil
Shri Apurba Kumar Sarmah	7	No	Nil	Nil	Nil
Shri Arvind Sahay	6	No	1	Nil	1
Shri Gyan Prakash Joshi	7	No	3	Nil	3
Shri Puneesh Kumar Kapoor	7	No	Nil	Nil	Nil
Smt Bulbul Sen *	Nil	NA	1	Nil	Nil

(\* Appointed vide order no.10/1/2012-Met.III (Vol.I) dated 19 March, 2013 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 2012-13 was as follows:

Name of the Director	All elements of remuneration package i.e., salary, PF contribution, pension, gratuity etc (₹)	Performance Linked Incentives* (₹)	Other Benefits (₹)	Total (₹)
Shri Shakeel Ahmed CMD (upto 31.8.2012)	1,389,170.00	1,602,432.00	Medical 3,615.00 Accommodation 4,42,982.00 Electricity 11,180.00	3,449,379.00
Shri K D Diwan CMD (From 1.9.2012)	1,349,666.00		Medical 2,119.00 Accommodation 2,42,864.00 Electricity 14,180.00	1,608,829.00
Shri K D Diwan Director (Operations) Upto 31.08.2012	926,638.00	1,199,609.00	Medical Nil Accommodation 1,15,418.00 Electricity 6,970.00	2,248,635.00



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

Shri Anupam Anand Director (Personnel)	2,174,614.00	1,134,223.00	Medical 49,040.00 Accommodation 5,03,765.00 Electricity 31,874.00	3,893,516.00
Shri Avijit Ghosh Director (Mining)	2,128,468.00	1,107,000.00	Medical 11,383.00 Accommodation 4,44,433.00 Electricity 29,553.00	3,720,837.00
Shri K K Saberwal Director(Finance) Upto 25.02.2013	1,882,428.00	1,085,400.00	Medical 5,845.00	2,973,673.00
<b>Total</b>	<b>9,850,984.00</b>	<b>6,128,664.00</b>	<b>1,915,221.00</b>	<b>17,894,869.00</b>

\* relating to FY 2011-12

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

Independent directors are not paid any remuneration except sitting fees at the rate of ₹ 10,000/- per Board meeting and at the rate of ₹ 5,000/- per committee meeting. During 2012-13, the amount of sitting fees paid to independent directors was as follows:

Sl No	Name of the director	Sitting Fees (₹)		
		Board meetings	Committee meetings	Total
1	Major General (Retd) Raajnish Gossain	70,000	65,000	1,35,000
2	Shri Apurba Kumar Sarmah	70,000	75,000	1,45,000
3	Shri Arvind Sahay	60,000	15,000	75,000
4	Shri Gyan Prakash Joshi	70,000	30,000	1,00,000
5	Shri Puneesh Kumar Kapoor	70,000	15,000	85,000
	<b>Total</b>	<b>3,40,000</b>	<b>2,00,000</b>	<b>5,40,000</b>

(iii) *Part time official Directors*

There are two part time official directors on the Board as on 31 March, 2013. 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 was reconstituted on 29 May, 2012 comprising four 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 29 May, 2012, 14 August, 2012, 5 November, 2012 and 12 February, 2013 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 Gyan Prakash Joshi, Member *	3
Shri Puneesh Kumar Kapoor, Member *	3

(\* Inducted in the Committee on 29 May, 2012)

### 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 / 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 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 once on 12 February, 2013 and attendance of the members at the meeting is given below:

Composition	Number of meeting attended out of 1 held
Major General (Retd) Raajnish Gossain, Chairman	1
Shri Apurba Kumar Sarmah, Member	1
Smt. Anjali Anand Srivastava, Member	1

### 5. Investors' Grievance Committee

Shareholders / Investors' Grievance Committee of the Board was constituted by the Board with Major General (Retd.) Raajnish Gossain, Independent Director as Chairman, Shri Anupam Anand, Director (Personnel) and Shri K K Saberwal, Director (Finance) as Members of the Committee to look into the redressal of complaints received from investors/shareholders. Shri C S Singhi, Company Secretary is the Compliance Officer. During 2012-13 the Company received and resolved 8 Investors grievances and there was no outstanding complaint as on 31 March, 2013.

### 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 2012-13, the Committee met three (three) times on 24 May, 2012, 17 July, 2012 and 18 December, 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:

<b>Year</b>	<b>Date</b>	<b>Time</b>	<b>Location</b>	<b>No of special resolutions passed</b>
2010-11	30.6.2010	3.30 PM	Tamra Bhavan, 1 Ashutosh Chowdhury Avenue, Kolkata- 700019	One
2011-12	20.9.2011	11.00 AM	-do-	Nil
2012-13	27.9.2012	-do-	-do-	Nil

Extraordinary General Meeting: Nil

No resolution was passed in the last three years through postal ballot. In the ensuing 46th 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 newspaper such as Business Standard 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) 46th Annual General meeting (AGM)  
Date : 20 September, 2013  
Time : 11 AM  
Venue : Tamra Bhavan, 1 Ashutosh Chowdhury Avenue, Kolkata 700019
- ii) Financial Year : 1 April, 2012 to 31 March, 2013



- iii) Book-closure date: 17 September, 2013 to 20 September, 2013 (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 2013-14 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

vii) *Share transfer system*

Share transfer requests received by the Company are processed and certificates dispatched to the buyers within 15 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 2012-13 was as follows:

Month	BSE		NSE	
	High(₹)	Low(₹)	High(₹)	Low(₹)
April 2012	297.00	250.25	295.50	250.50
May 2012	290.45	239.65	290.55	229.75
June 2012	269.00	243.55	268.80	203.90
July 2012	271.70	238.15	271.45	238.05
August 2012	292.55	244.40	292.40	244.10
September 2012	310.90	252.65	282.75	252.00
October 2012	270.40	246.10	270.05	248.00
November 2012	276.50	148.50	276.55	148.00
December 2012	154.95	136.10	155.00	130.10
January 2013	146.85	128.50	146.85	128.55
February 2013	139.70	112.60	139.70	112.65
March 2013	122.55	84.00	122.50	84.45



ix) Shareholding pattern as on 31 March, 2013

	Category	No. of shares held	%
1	President of India	86,98,15,352	94.01
2	Mutual Funds	31,30,936	0.34
3	Financial Institutions/Banks	81,51,147	0.88
4	Insurance Companies	2,71,79,156	2.94
5	Bodies Corporate	48,42,438	0.52
6	NRIs/FIIs/QFIs	4,97,608	0.06
7	Trusts & Foundations	225	0.00
8	Indian Public	1,16,01,138	1.25
	<b>TOTAL</b>	<b>92,52,18,000</b>	<b>100.00</b>

x) Distribution of shareholding as on 31 March, 2013

RANGE		SHARES	FOLIOS	% SHARES
1	500	5943783	57952	0.64
501	1000	1965514	2427	0.21
1001	2000	1588693	1055	0.17
2001	3000	774530	304	0.08
3001	4000	456469	129	0.05
4001	5000	432500	91	0.05
5001	10000	1240878	171	0.13
10001	50000	2052798	98	0.22
50001	100000	803017	10	0.09
100001 and above		909959818	24	98.35
<b>TOTAL:</b>		<b>925218000</b>	<b>62261</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, 2013 was as follows:

Particulars	No. of Shares	% of Holding	No. of folio
DEMAT:			
a) NSDL	91,97,54,380	99.41	38093
b) CDSL	53,68,015	0.58	23616
PHYSICAL	95,605	0.01	552
<b>Total:</b>	<b>92,52,18,000</b>	<b>100.00</b>	<b>62261</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 P.O.Ghatsila Dist.Singhbhum Jharkhand	Khetri Copper Complex P.O.Khetrinagar Dist.Jhunjhunu Rajasthan
Malanjkhand Copper Project P.O.Malanjkhand Dist.Balaghat Madhya Pradesh	Taloja Copper Project P.O.Taloja Dist.Raigad 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@hindustancopper.com](mailto:investors_cs@hindustancopper.com). The contact Telephone Numbers are (033) 2283 2226/2676 and Fax Number is (033) 2283 2676.



## CERTIFICATE ON CORPORATE GOVERNANCE

**To the Members,  
Hindustan Copper Limited,  
Kolkata**

We have examined the compliance of conditions of corporate governance by Hindustan Copper Limited, for the year ended on 31.03.2013, 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 is 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 did not comprise at least 50% of Board of Directors upto 25.02.2013. However, with the retirement of Sri Shakeel Ahmed on 31.08.2012 and the resignation of Sri K.K.Saberwal on 25.02.2013, both being executive directors and the appointment of Smt. Bulbul Sen, an Independent director on 19.03.2013, the composition as on 31.03.2013 satisfies the requirement of "atleast 50% of total Directors being Independent Directors, when an executive director is the chairman of the board" as required under Clause 49 of the Listing Agreement.

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

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

**A. KAYES & CO.**  
FRN No.311149E  
Chartered Accountants

**CA.Chandan Chattopadhyay**

**CA.Amrul Kayes**

M No. 51254  
Partner

M No. 50363  
Partner

**Place: Mumbai  
Date: 23<sup>rd</sup> May, 2013**



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**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 31ST MARCH 2013.**

The preparation of financial statements of Hindustan Copper Limited, Kolkata for the year ended 31st March 2013 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 23-05-2013.

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 2013. 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: 25th June, 2013**



## Ten years at a glance

(₹ in crore)

YEAR	2012 -13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04
<b>FOR THE YEAR</b>										
Turnover	1475.27	1638.18	1281.28	1429.85	1349.10	1839.79	1799.64	1053.76	559.11	518.87
Gross Profit / (Loss)	407.90	474.48	339.39	219.33	12.30	330.51	366.68	138.75	95.05	3.46
Depreciation and Amortisation	150.98	144.06	97.27	81.04	73.72	81.89	89.45	58.37	55.75	59.05
Net Profit/(Loss)	355.64	323.46	224.10	154.68	(10.31)	246.46	313.94	105.88	55.98	(56.16)
Value Added	953.85	1146.97	991.95	701.82	402.06	726.12	781.08	385.39	328.53	212.30
Value of production	1771.06	1704.21	1409.46	1506.04	1344.28	1991.24	1909.18	1053.34	631.24	534.43
<b>AT THE YEAR END</b>										
Share Capital	462.61	462.61	462.61	462.61	462.61	462.61	977.45	948.95	948.95	908.95
Internal Resources	1783.64	1514.00	1275.97	1200.69	1026.95	1015.88	195.60	(110.57)	(298.85)	(350.30)
Term Loans	-	-	-	-	-	112.50	212.50	287.50	232.96	299.12
Cash credit from banks	-	-	-	0.05	2.30	0.98	3.98	4.81	118.23	76.11
Capital expenditure gross	1421.35	1278.55	1229.21	1169.23	1110.85	1037.06	993.99	977.89	967.71	995.10
Working Capital	829.99	685.85	526.58	365.01	361.16	492.06	328.62	62.78	33.94	(1.02)
Capital employed	1036.32	895.02	739.75	584.64	570.86	657.48	504.62	247.47	234.55	215.28
Manpower (No.)	4498	4810	5100	5300	5440	5405	5451	5583	5665	5995



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## **Report on the Financial Statements**

We have audited the accompanying financial statements of **Hindustan Copper Ltd** (“the Company”), which comprise the Balance Sheet as at March 31, 2013, the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

### **Management’s Responsibility for the Financial Statements**

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 (“the Act”). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditors’ Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (b) In the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.



**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2003 ("the order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Sec 227(3) of the Act, 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 purpose of our audit;
  - b. in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956, and
  - e. in our opinion, reporting in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956 is not applicable to the company, being a government company, as per Notification No. GSR 829(E) dated October 21, 2003 issued by the Department of Company Affairs.

**For S. Ghose & Co.**  
**Chartered Accountants**  
Firm Registration No.302184E

**CA.Chandan Chattopadhyay**  
**Partner**  
Membership No. 051254

Place: Mumbai  
Date: 23rd May, 2013

**For A. Kayes & Co.**  
**Chartered Accountants**  
Firm RegistrationNo.311149E

**CA. Amrul Kayes**  
**Partner**  
Membership No. 050363



### (Referred to in our report of even date attached)

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets.  
  
(b) The fixed assets of the Company have not been physically verified by the management during the year under audit pursuant to company's Accounting Policy (Note no.2.c.5) and as such, major discrepancies, if any, could not be ascertained and not commented upon. Last physical verification of fixed asset was done in the Financial Year 2010-2011. In our opinion it should be done in a phased manner so as to cover entire fixed assets atleast once in every three years and the company's Accounting Policy should be suitably modified.  
  
(c) In our opinion, the disposals of fixed assets during the year are not of significant value and do not affect the going concern concept.
2. (a) As explained to us, the inventories of Finished Goods, Raw Materials and Stores and Spares except those lying with contractors / third parties have been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.  
  
(b) According to information and explanations given to us, the procedures of physical verification of inventory followed by the management appear to be 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 were not material considering the size of the company and the nature of its business and the same have been properly adjusted in the accounts.
3. (a) According to information and explanations given to us, the Company has not granted any loan, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Therefore, reporting under other related sub clauses is not applicable to the company.



- (b) According to information and explanations given to us, the Company has not taken any loan, secured or unsecured, from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Therefore, reporting under other related sub clauses is not applicable to the company.
4. In our opinion and according to the information and explanations given to us, the internal control system needs to be strengthened in order to be commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods and services. We have not observed any major weakness continuing in the internal control system.
5. Based on the audit procedures applied by us and according to the information and explanations given to us, there was no transaction that needed to be entered in the Register required to be maintained under Section 301 of Companies Act, 1956, exceeding the value of ₹ five lacs in respect of any party in the financial year.
6. According to information and explanations given to us, the Company has not accepted any deposits from the public. Hence, the provisions of Sections 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposit) Rules, 1975 are not applicable to the Company.
7. The Company has its Internal Audit System commensurate with its size and nature of its business.
8. We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of Cost Records under section 209 (1)(d) of the Companies Act, 1956 and we are of the opinion that, prima facie, the prescribed accounts and records have been maintained.
9. (a) According to the records of the Company and information and explanations given to us, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Income Tax, Sales Tax/ Vat, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other statutory dues with the appropriate authorities, and there is no undisputed amount payable in respect of the aforesaid statutory dues as at 31st March, 2013 for a period of more than six months from the date they became payable, excepting ₹ 833.82 Lacs towards Water Cess.



- (b) According to the records of the Company and the information and explanations given to us, the following are the details of disputed dues in respect of Income Tax, Sales Tax, Entry Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty and Cess as on 31st March, 2013:

<b>STATEMENT OF DISPUTED STATUTORY LIABILITIES</b> (₹ in lac)				
<b>Name of the Statute</b>	<b>Nature of the Dues</b>	<b>Period to which the amount relates</b>	<b>Forum where dispute is pending</b>	<b>AMOUNT</b>
The Central Excise Act, 1944	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	51.40
		1999-00	ASST COMMISSIONER	40.20
		2000-01	DY COMMISSIONER	35.40
		FROM 2000-01 TO 2001-02	CESTAT	283.40
		FROM 2000-01 TO 2003-04	CESTAT	1501.76
		2002-03	ASST COMMISSIONER / COMMISSIONER / CESTAT	83.70
		2003-04	ASST COMMISSIONER / JOINT COMMISSIONER	63.90
		2005-06	ASST COMMISSIONER	36.56
		2006-07	JOINT COMMISSIONER	8.47
		2007-08	ASST COMMISSIONER / COMMISSIONER	74.01
		2007-08 TO 2010-11	ASST COMMISSIONER	3.95
		2008-09	ASST / ADDL / DY COMMISSIONER / COMMISSIONER / CESTAT	447.22
		2009-10	DY COMMISSIONER / COMMISSIONER	59.85
		2009-10 & 2010-11	COMMISSIONER	103.40
		2010-11	ADDL COMMISSIONER / COMMISSIONER	140.96
		2011-12	COMMISSIONER	22.03
2012-13	ASST COMMISSIONER / COMMISSIONER	77.12		
Income Tax Act 1961	INCOME TAX	2006-2007	COMMISSIONER OF INCOME TAX(APPEALS)	1750.71
		2008-2009	COMMISSIONER OF INCOME TAX(APPEALS)	4.70



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

State Value Added Tax Acts	SALES TAX/VAT	1994-95	COMMISSIONER (APPEALS) / JABALPUR	5.38
		1994-95	APPELATE AUTHORITY / MAHARASHTRA	16.81
		2002-03	DY.COMMISSIONER (ADJUDICATION) / JHARKHAND	40.55
		2003-04	DY.COMMISSIONER (ADJUDICATION) / JHARKHAND	20.01
		2004-05	DY.COMMISSIONER (ADJUDICATION) / JHARKHAND	73.09
		2005-06	DY.COMMISSIONER (ADJUDICATION) / JHARKHAND	90.68
		2007-08	DY.COMMISSIONER (APPEALS) / BIKANER	0.06
		2009-10	DY.COMMISSIONER (APPEALS) / BIKANER	14.03
Entry Tax Act	ENTRY TAX	FROM 2004-05 TO 2012-13	DY.COMMISSIONER (APPEALS) / BIKANER	250.50
	<b>TOTAL</b>			<b>5581.08</b>

10. According to the information and explanation provided to us, the Company has no accumulated losses as at 31st March, 2013 and it has not incurred any cash losses in the financial year ended on that date and in the immediately preceding financial year.
11. Based on our audit procedures and the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders.
12. Based on our examination of records, we are of the opinion that the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. According to the information and explanation provided to us, in our opinion, the Company is not a chit fund / nidhi / mutual benefit fund / society.
14. According to the information and explanations given to us, 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 any Guarantee for loans taken by others from banks or financial institution.
16. According to the information and explanations given to us, the company has not taken any term loan during the year under audit.
17. On an overall examination of the Balance Sheet of the Company and according to information and explanations given to us, we report that funds raised by the company on short term basis have not been used for long term investment.
18. The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
19. The Company has not issued any debenture during the year under audit. Therefore, reporting under this clause is not applicable to the company.
20. The Company has not raised any money during the year covered by audit by way of public issue
21. According to the information and explanations given to us, the financial irregularities stated vide Clause 15 of Note No.35 are under the initial stage of investigation. Since the management has not yet reported the same as fraud pending final investigation, we state that no fraud on or by the company has been reported during the course of audit.

**For S. Ghose & Co.**

**Chartered Accountants**

Firm Registration No.302184E

**CA.Chandan Chattopadhyay**

**Partner**

Membership No. 051254

**For A. Kayes & Co.**

**Chartered Accountants**

Firm RegistrationNo.311149E

**CA. Amrul Kayes**

**Partner**

Membership No. 050363

Place: Mumbai

Date: 23rd May, 2013



## Balance Sheet as at March 31, 2013

PARTICULARS	Note No.	As at <u>31st March, 2013</u>	(₹ in lac) As at <u>31st March, 2012</u>
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) SHAREHOLDERS' FUNDS</b>			
(a) Share Capital	3	46260.90	46260.90
(b) Reserves and Surplus	4	118242.27	93503.27
<b>(2) SHARE APPLICATION MONEY PENDING ALLOTMENT</b>			
	5	-	-
<b>(3) NON-CURRENT LIABILITIES</b>			
(a) Long Term Borrowings	6	-	-
(b) Deferred Tax Liabilities (net)	7	-	-
(c) Other Long Term Liabilities	8	684.60	1881.22
(d) Long Term Provisions	9	6838.22	6597.99
<b>(4) CURRENT LIABILITIES</b>			
(a) Short Term Borrowings	10	-	-
(b) Trade Payables	11	8574.82	6843.54
(c) Other Current Liabilities	12	12422.09	10412.00
(d) Short Term Provisions	13	15085.40	19322.65
<b>EQUITY &amp; LIABILITIES - TOTAL</b>		<b><u>208108.30</u></b>	<b><u>184821.57</u></b>
<b>II. ASSETS</b>			
<b>(1) NON-CURRENT ASSETS</b>			
(a) Fixed Assets			
(i) Tangible Assets	14.1	20632.71	20917.41
(ii) Intangible Assets	14.2	-	-
(iii) Capital Work In Progress	14.3	5631.72	99.45
(b) Mine Development Expenditure	15	53081.24	47863.84
(c) Non Current Investments	16	200.00	5650.00
(d) Deferred Tax Assets (net)	7	3754.94	581.91
(e) Long-Term Loans and Advances	17	5726.01	4544.36
(f) Other Non-Current Assets	18	-	-
<b>(2) CURRENT ASSETS</b>			
(a) Current Investments	19	8658.32	9212.98
(b) Inventories	20	37827.82	32064.37
(c) Trade Receivables	21	18450.53	12174.05
(d) Cash & Bank Balances	22	43845.41	44920.23
(e) Short-term Loans and Advances	23	6057.45	4095.94
(f) Other Current Assets	24	4242.15	2697.03
<b>TOTAL ASSETS</b>		<b><u>208108.30</u></b>	<b><u>184821.57</u></b>
<b>Significant Accounting Policies</b>	2		
<b>General Notes on Accounts</b>	35		

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: Mumbai  
Dated: 23rd May, 2013

**Anupam Anand**  
Director (Personnel)

**K D Diwan**  
Chairman-cum-Managing Director

In terms of our report of even date attached.

**For S.GHOSE & CO.**

**FRN 302154E**

Chartered Accountants

**CHANDAN CHATTOPADHAY**

**(M No. 51254)**

Partner

Place: Mumbai

Dated: 23rd May, 2013

**For A.KAYES & CO.**

**FRN 311149E**

Chartered Accountants

**A.KAYES**

**(M No. 50363)**

Partner

Place: Mumbai

Dated: 23rd May, 2013

# Profit & Loss Account for the year ended March 31, 2013



PARTICULARS	Note No.	₹ in lac	
		For the year ended 31st March, 2013	For the year ended 31st March, 2012
<b>INCOME</b>			
Revenue from Operations (Gross)	25	147341.97	163412.25
Less: Excise Duty		<u>15028.29</u>	<u>14656.76</u>
Revenue from Operations (Net)		132313.68	148755.49
Other Income	26	<u>24970.25</u>	<u>8492.02</u>
<b>TOTAL INCOME</b>		<b><u>157283.93</u></b>	<b><u>157247.51</u></b>
<b>EXPENDITURE</b>			
Cost of Materials Consumed	27	5521.96	7153.95
Changes in Inventories of Finished Goods, Semi-Finished and In-Process	28	(4471.91)	2215.23
Excise Duty on Closing Stock		228.29	200.34
Employees' Benefits Expenses	29	35526.02	33950.03
Finance Cost	30	428.26	152.71
Depreciation and Amortisation Expenses	31	15098.18	14405.59
General, Administration and Other Expenses	32	<u>64655.10</u>	<u>51877.71</u>
<b>TOTAL EXPENDITURE</b>		<b><u>116985.90</u></b>	<b><u>109955.56</u></b>
<b>PROFIT BEFORE PRIOR PERIOD ITEMS, EXCEPTIONAL AND EXTRAORDINARY ITEMS AND TAX</b>		<b>40298.03</b>	<b>47291.95</b>
Prior Period Adjustments (net)	33	(63.25)	(3.16)
<b>PROFIT BEFORE EXCEPTIONAL AND EXTRAORDINARY ITEMS AND TAX</b>		<b>40361.28</b>	<b>47295.11</b>
Exceptional items		-	-
<b>PROFIT BEFORE EXTRAORDINARY ITEMS AND TAX</b>		<b>40361.28</b>	<b>47295.11</b>
Extraordinary items		-	-
<b>PROFIT BEFORE TAX</b>		<b>40361.28</b>	<b>47295.11</b>
<b>TAX EXPENSES</b>	34		
i) Current Tax		7969.96	15870.55
iii) Deferred Tax		<u>(3173.03)</u>	<u>(921.78)</u>
<b>TOTAL TAX EXPENSES</b>		<b><u>4796.93</u></b>	<b><u>14948.77</u></b>
<b>PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS</b>		<b><u>35564.35</u></b>	<b><u>32346.34</u></b>
Profit from discontinuing operations		-	-
Tax expense of discontinuing operations		-	-
<b>PROFIT FROM DISCONTINUING OPERATIONS AFTER TAX</b>		<b><u>-</u></b>	<b><u>-</u></b>
<b>PROFIT FOR THE YEAR</b>		<b><u>35564.35</u></b>	<b><u>32346.34</u></b>
Earning per share (Equity shares, face value of ₹ 5/- each)			
<b>BASIC</b>		3.84	3.50
<b>DILUTED</b>		3.84	3.50
Significant Accounting Policies	2		
General Notes on Accounts	35		

The schedules referred to above form an integral part of the Profit & Loss Account

For and on behalf of the Board of Directors

**C.S.Singhi**  
Company Secretary

**Anupam Anand**  
Director (Personnel)

**K D Diwan**  
Chairman-cum-Managing Director

Place: Mumbai  
Dated: 23rd May, 2013

In terms of our report of even date attached.

**For S.GHOSE & CO.**

**FRN 302154E**

Chartered Accountants

**CHANDAN CHATTOPADHAY**

**(M No. 51254)**

Partner

Place: Mumbai

Dated: 23rd May, 2013

**For A.KAYES & CO.**

**FRN 311149E**

Chartered Accountants

**A.KAYES**

**(M No. 50363)**

Partner

Place: Mumbai

Dated: 23rd May, 2013



## Cash Flow Statement for the year ended March 31, 2013

		(₹ in lac)	
		Year ended 31st March, 2013	Year ended 31st March, 2012
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>			
<b>NET PROFIT/ (LOSS) BEFORE TAX AS PER PROFIT AND LOSS ACCOUNT</b>		<b>40,361.28</b>	<b>47,295.11</b>
Adjusted for:			
Depreciation		1,759.69	1,776.72
Provisions charged		938.70	1,066.27
Provisions written back		(16,248.57)	(532.46)
Interest expense		428.26	152.71
Amortisation		13,338.49	12,628.87
Interest income		(5,506.19)	(3,823.39)
Dividend income		(847.22)	(539.18)
Prior year adjustments (net)		63.25	0.00
Transfer from Special reserve		(0.76)	(2.66)
Profit on disposal of fixed assets		(5.79)	(11.86)
<b>OPERATING PROFIT/ (LOSS) BEFORE WORKING CAPITAL CHANGES</b>		<b>34,281.14</b>	<b>58,010.13</b>
Adjusted for:			
Decrease/ (Increase) in Trade & other Receivables		(6,296.63)	(5,591.74)
Decrease/ (Increase) in Inventories		(3,484.41)	307.75
Decrease/ (Increase) in Loans, Advances and Other Current assets		(2,455.81)	(1,295.85)
Increase/ (Decrease) in Trade Payables & Provisions		9,750.34	(1,723.48)
<b>CASH GENERATED FROM OPERATIONS</b>		<b>31,794.63</b>	<b>49,706.81</b>
Prior period adjustments (net)		(63.25)	(3.16)
Taxes paid		(10,233.84)	(14,673.59)
<b>NET CASH FROM OPERATING ACTIVITIES (A)</b>		<b>21,497.54</b>	<b>35,030.06</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>			
Purchase of Fixed Assets		(4,039.59)	(2,008.86)
Sale of Fixed Assets		15.43	18.98
Interest received		3,742.25	2,915.04
Dividend received		847.22	539.18
Investment in Mutual Funds		6,004.66	(8,416.85)
Mine Development Expenditure		(17,960.96)	(14,056.53)
<b>NET CASH USED IN INVESTING ACTIVITIES (B)</b>		<b>(11,390.99)</b>	<b>(21,009.04)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>			
Dividends paid		(9,252.18)	(4,626.09)
Tax on Dividend		(1,500.93)	(750.47)
Interest paid		(428.26)	(152.71)
<b>NET CASH USED IN FINANCING ACTIVITIES (C)</b>		<b>(11,181.37)</b>	<b>(5,529.27)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS (A + B + C)</b>		<b>(1,074.82)</b>	<b>8,491.75</b>
<b>CASH AND CASH EQUIVALENTS - opening balance</b>		<b>44,920.23</b>	<b>36,428.48</b>
<b>CASH AND CASH EQUIVALENTS - closing balance</b> ( details in Annexure - A )		<b>43,845.41</b>	<b>44,920.23</b>

**For and on behalf of the Board of Directors**

**C.S.Singhi**  
Company Secretary

**Anupam Anand**  
Director (Personnel)

**K D Diwan**  
Chairman-cum-Managing Director

Place: Mumbai  
Dated: 23rd May, 2013

## Cash Flow Statement for the year ended March 31, 2013 (Contd.)



### ANNEXURE - A

₹ in lac

<b>1. CASH AND CASH EQUIVALENTS - opening balance</b>	<b>01/04/2012</b>	<b>01/04/2011</b>
i) Cash & Bank balance	44,920.23	36,428.48
ii) Cash Credit balance	0.00	0.00
	<u>44,920.23</u>	<u>36,428.48</u>
<b>CASH AND CASH EQUIVALENTS - closing balance</b>	<b>31/03/2013</b>	<b>31/03/2012</b>
i) Cash & Bank balance	43,845.41	44,920.23
ii) Cash Credit balance	0.00	0.00
	<u>43,845.41</u>	<u>44,920.23</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 S. GHOSE & CO.**  
**FRN 302154E**  
Chartered Accountants

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

Place: Mumbai  
Dated: 23rd May, 2013

**For A. KAYES & CO.**  
**FRN 311149E**  
Chartered Accountants

**A.KAYES**  
**(M No. 50363)**  
Partner

Place: Mumbai  
Dated: 23rd May, 2013



**1. CORPORATE INFORMATION**

Hindustan Copper Limited is a public limited company domiciled in India and incorporated under the provisions of Companies Act, 1956. Its Shares are listed and traded on Stock Exchanges in India. The Company is engaged in exploration, exploitation, mining of copper and copper ore including beneficiation of minerals, smelting, refining of copper.

**2. SIGNIFICANT ACCOUNTING POLICIES**

**a. 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.

**b. 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.

**c. FIXED ASSETS:**

- c.1. Fixed assets are recorded at cost net of CENVAT and VAT credit wherever applicable less accumulated depreciation and impairment loss, if any.
- c.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.
- c.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.
- c.4. Expenses incurred for implementation of new projects are carried forward against respective projects till execution. Expenses rendered in fructuous on projects abandoned subsequently are provided in the Profit & Loss Account.
- c.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.

**d. 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.



**e. INVESTMENTS:**

- e.1 Current investments are individually valued at lower of cost or fair market value.
- e.2 Long term investments (Non-current ) are valued at cost. Provision for diminution is made to recognize a decline, other than temporary nature, in the value of investments.

**f. 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.

**g. 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.

**h. MINE DEVELOPMENT EXPENDITURE:**

- h.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 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.
- h.2 **In case of working mines, where development activities are going on simultaneously:** Expenses are apportioned between capital or revenue on the basis of in-house technical estimates.
- h.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.
- h.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.

**i. MAJOR OVERHAULING EXPENSES:**

The expenditure attributable to major overhaul of smelter/refinery is charged to the Accounts in the year of incurrence.

**j. 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.

**k. INVENTORIES:**

- k.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.



- k.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.
- k.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.
- k.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.
- k.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.
- k.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.
- k.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.
- k.8 Scrap sales are accounted for on delivery of material.

## **l. REVENUE RECOGNITION**

### **l.1 SALES:**

l.1.1 Sales are net of discounts other than cash discounts.

l.1.2 In case of sale of Copper Concentrate, Copper Reverts, Anode Slime etc. and tolling of Copper Concentrate of Khetri and Malanjkhand origin, sales / tolling at the end of the accounting period are recorded on provisional basis as per standard parameters for want of actual specifications and differential sales value are recorded only on receipt of actual.

### **l.2 OTHER INCOME:**

#### **l.2.1 Claims:**

Claims on account of liquidated damages and insurance are accounted for as and when these are realized and/or considered recoverable by the company.

#### **l.2.2 Conversion charges:**

Income from conversion of job work is accounted for on the basis of dispatches made.

#### **l.2.3 Interest on L/C bills:**

Interest up to the date of Balance Sheet on all outstanding bills is accounted for on accrual basis.

## **m. FOREIGN EXCHANGE TRANSACTIONS:**

m.1 Foreign currency transactions on initial recognition in the reporting currency are accounted for at the exchange rates prevailing on the date of transaction.

m.2 At each Balance Sheet date, foreign currency monetary items are translated using the mean exchange rates prevailing on the Balance Sheet date and non-monetary items are translated using the exchange rate prevailing on the date of transaction or on the date when the fair value of such item was determined.



m.3 The loss or gain thereon and also the exchange differences on settlement of the foreign currency transactions during the year are recognized as income or expense and adjusted to the statement of Profit and Loss Account except where such liabilities and / or transactions related to fixed assets / projects and these were incurred / entered into before 1.4.2004, in which case, these are adjusted to the cost of respective fixed assets.

**n. RETIREMENT BENEFITS:**

**n.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.

**n.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.

**n.3 Voluntary Retirement Expenses**

**n.3.1 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.

**n.3.2 Paid out of Government Grant:**

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

**o. 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.

**p. 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.

**q. GENERAL:**

**q.1 Contingent Liability:**

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

**q.2 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.

**q.3 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.

**q.4 Research and Development Expenditure:**

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



## Schedule forming part of the Balance Sheet

### Note No. 3 SHARE CAPITAL

	As at 31st March, 2013		As at 31st March, 2012	
	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 ₹)</b>		5.00		5.00
<b>c) PAR VALUE PER PREFERENCE SHARE (in ₹)</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</b>				
<b>OUTSTANDING:</b>	<u>No. of Shares</u>	<u>(₹ in lac)</u>	<u>No. of Shares</u>	<u>(₹ in lac)</u>
<b>OUTSTANDING AS ON 01.04.2012</b>	925218000	46260.90	925218000	46260.90
Add: No. of shares/Share Capital issued/subscribed during the year	-	-	-	-
Less: Reduction in no. of shares/Share Capital	-	-	-	-
<b>OUTSTANDING AS ON 31.03.2013</b>	<u>925218000</u>	<u>46260.90</u>	<u>925218000</u>	<u>46260.90</u>
<b>f) TERMS/RIGHTS ATTACHED TO EQUITY SHARES</b>	The Company has only one class of Equity Shares having par value of ₹5/- each and is entitled to one vote per share. The dividend proposed by Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.			
<b>g) SHARES IN THE COMPANY HELD BY EACH SHAREHOLDER HOLDING MORE THAN 5 PERCENT OF THE NUMBER OF SHARES</b>				
	<u>In No.</u>	<u>In (%)</u>	<u>In No.</u>	<u>In (%)</u>
- President of India	869815352	94.01%	921419500	99.59%

Schedule forming part of the Balance Sheet (Contd.)



(₹ in lac)

	<u>As at 31st March, 2013</u>	<u>As at 31st March, 2012</u>
<b>Note No. 4 RESERVES AND SURPLUS</b>		
a) CAPITAL RESERVE		
AS PER LAST BALANCE SHEET	21166.24	21166.24
Add: Transfer from Surplus	-	-
AS AT BALANCE SHEET DATE	21166.24	21166.24
b) SPECIAL RESERVE FOR S & T ASSETS		
AS PER LAST BALANCE SHEET	9.70	12.36
Less: Transfer to Surplus	0.76	2.66
AS AT BALANCE SHEET DATE	8.94	9.70
c) GENERAL RESERVE		
AS PER LAST BALANCE SHEET	4115.80	1690.00
Add: Transfer from Surplus	2667.33	2425.80
AS AT BALANCE SHEET DATE	6783.13	4115.80
d) SURPLUS *	90283.96	68211.53
<b>TOTAL</b>	<b>118242.27</b>	<b>93503.27</b>
<b>DETAILS OF SURPLUS *</b>		
Profit for the year as per Statement of Profit and Loss	35564.35	32346.34
Balance brought forward	68211.53	49044.11
BALANCE AVAILABLE FOR APPROPRIATION	103775.88	81390.45
i) Transfer to General Reserve	2667.33	2425.80
ii) Dividend:		
- Interim	-	-
- Final	9252.18	9252.18
iii) Tax on Dividend		
- Interim	-	-
- Final	1572.41	1500.94
BALANCE CARRIED FORWARD	<b>90283.96</b>	<b>68211.53</b>
<b>Note No. 5 SHARE APPLICATION MONEY PENDING ALLOTMENT</b>		
a) SHARE APPLICATION MONEY PENDING ALLOTMENT		
- Equity Shares	-	-
- Preference Shares	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>



**Schedule forming part of the Balance Sheet (Contd.)**

	(₹ in lac)	
	<u>As at 31st March, 2013</u>	<u>As at 31st March, 2012</u>
<b>Note No. 6 LONG TERM BORROWINGS</b>		
<b>a) BONDS/ DEBENTURES</b>		
- Secured	-	-
- Unsecured	-	-
<b>b) TERM LOANS</b>		
• From Banks/ FIs		
- Secured	-	-
- Unsecured	-	-
• From other parties		
- Secured	-	-
- Unsecured	-	-
<b>c) DEFERRED PAYMENT LIABILITIES</b>	--	-
<b>d) DEPOSITS</b>	-	-
<b>TOTAL</b>	<u>                    -</u>	<u>                    -</u>
Aggregate amount of loans guaranteed by directors	₹ Nil	₹ Nil
Aggregate amount of loans guaranteed by Others-GOI	₹ Nil	₹ Nil
Amount of default in repayment of loans and interest as at 31.03.2013	₹ Nil	₹ Nil
Period of default in repayment of loans and interest as at 31.03.2013	Nil	Nil
<b>Note No. 7 DEFERRED TAX LIABILITIES / ASSETS</b>		
<b>i) DEFERRED TAX ASSET</b>		
<b>OPENING BALANCE</b>	10362.64	9717.90
Charge during the year	<u>(2580.47)</u>	<u>644.74</u>
<b>CLOSING BALANCE</b>	7782.17	10362.64
<b>ii) DEFERRED TAX LIABILITY</b>		
<b>OPENING BALANCE</b>	(9780.74)	(10057.78)
Credit during the year	<u>5753.50</u>	<u>277.04</u>
<b>CLOSING BALANCE</b>	<u>(4027.24)</u>	<u>(9780.74)</u>
<b>i) - ii) DEFERRED TAX ASSETS / (LIABILITIES) (Net)</b>	<u><b>3754.94</b></u>	<u><b>58 1.91</b></u>
<b>Note No. 8 OTHERS LONG TERM LIABILITIES</b>		
<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	684.60	1881.22
<b>TOTAL</b>	<u><b>684.60</b></u>	<u><b>1881.22</b></u>

## Schedule forming part of the Balance Sheet (Contd.)



(₹ in lac)

	<u>As at 31st March, 2013</u>	<u>As at 31st March, 2012</u>
<b>Note No. 9 LONG TERM PROVISIONS</b>		
a) PROVISION FOR EMPLOYEE BENEFITS		
i) PROVIISON FOR LEAVE ENCASHMENT		
AS PER LAST BALANCE SHEET	6487.70	5653.61
Additions during the year	768.30	834.09
Amount used during the year	<u>-</u>	<u>-</u>
CLOSING BALANCE	7256.00	6487.70
ii) PROVISION FOR GRATUITY		
AS PER LAST BALANCE SHEET	110.29	38.79
Additions during the year	1500.00	3260.14
Amount used during the year	<u>2028.07</u>	<u>3188.64</u>
CLOSING BALANCE	(417.78)	110.29
<b>TOTAL</b>	<b><u>6838.22</u></b>	<b><u>6597.99</u></b>
<b>Note No. 10 SHORT TERM BORROWINGS</b>		
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>	<b><u>-</u></b>	<b><u>-</u></b>
Aggregate amount of loans guaranteed by directors	₹ Nil	₹ Nil
Aggregate amount of loans guaranteed by Others - Government of India	₹ Nil	₹ Nil
Amount of default in repayment of loans and interest as at 31.03.2013	₹ Nil	₹ Nil
Period of default in repayment of loans and interest as at 31.03.2013	Nil	Nil
<b>Note No. 11 TRADE PAYABLES</b>		
i) Total outstanding dues to Sundry Creditors-Goods	6218.09	4459.92
ii) Total outstanding dues to Sundry Creditors-Services	2356.73	2383.62
<b>TOTAL</b>	<b><u>8574.82</u></b>	<b><u>6843.54</u></b>
<b>Note No. 12 OTHER CURRENT LIABILITIES</b>		
i) Unpaid dividend	3.75	1.94
ii) Deposits/ Retention money	2304.24	389.46
iii) Statutory dues payables	3232.39	3866.62
iv) Other liabilities	273.33	544.29
v) Advances from Customers	1778.42	1638.32
vi) Sundry Creditors - Others	4829.96	3971.37
<b>TOTAL</b>	<b><u>12422.09</u></b>	<b><u>10412.00</u></b>



**Schedule forming part of the Balance Sheet (Contd.)**

		(₹ in lac)	
		<u>As at 31st March, 2013</u>	<u>As at 31st March, 2012</u>
<b>Note No. 13 SHORT TERM PROVISIONS</b>			
<b>a)</b>	<b>PROVISION FOR EMPLOYEE BENEFITS</b>		
i)	PROVISION FOR LEAVE ENCASHMENT		
	AS PER LAST BALANCE SHEET	515.87	-
	Additions during the year	39.92	515.87
	Amount used during the year	-	-
	<b>CLOSING BALANCE</b>	<b>555.79</b>	<b>515.87</b>
ii)	PROVISION FOR GRATUITY		
	AS PER LAST BALANCE SHEET	44.78	-
	Additions during the year	362.57	44.78
	Amount used during the year	-	-
	<b>CLOSING BALANCE</b>	<b>407.35</b>	<b>44.78</b>
iii)	PROVISION FOR LEAVE TRAVEL CONCESSION (LTC)		
	AS PER LAST BALANCE SHEET	51.63	131.89
	Additions during the year	6.16	-
	Amount used during the year	-	80.26
	<b>CLOSING BALANCE</b>	<b>57.79</b>	<b>51.63</b>
iv)	PROVISION FOR PRP/INCENTIVE		
	AS PER LAST BALANCE SHEET	800.00	-
	Additions during the year	600.00	800.00
	Amount used during the year	800.00	-
	<b>CLOSING BALANCE</b>	<b>600.00</b>	<b>800.00</b>
<b>b)</b>	<b>OTHERS</b>		
i)	PROVISION FOR CURRENT TAXATION		
	AS PER LAST BALANCE SHEET	40710.42	24839.87
	Additions during the year	7969.96	15870.55
	Amount used during the year	-	-
	<b>CLOSING BALANCE</b>	<b>48680.38</b>	<b>40710.42</b>
	Less: Advance Tax paid	48750.05	38516.21
	<b>CLOSING BALANCE (NET OF ADVANCE TAX)</b>	<b>(69.67)</b>	<b>2194.21</b>
ii)	PROPOSED DIVIDEND		
	AS PER LAST BALANCE SHEET	9252.18	4626.09
	Additions during the year	9252.18	9252.18
	Amount used during the year	9252.18	4626.09
	<b>CLOSING BALANCE</b>	<b>9252.18</b>	<b>9252.18</b>
iii)	TAX ON PROPOSED DIVIDEND		
	AS PER LAST BALANCE SHEET	1500.93	750.47
	Additions during the year	1572.41	1500.93
	Amount used during the year	1500.93	750.47
	<b>CLOSING BALANCE</b>	<b>1572.41</b>	<b>1500.93</b>
iv)	PROVISION - OTHERS		
	AS PER LAST BALANCE SHEET	4394.13	3745.29
	Additions during the year	6593.71	5674.01
	Amount used during the year	8983.85	5025.17
	<b>CLOSING BALANCE</b>	<b>2003.99</b>	<b>4394.13</b>
v)	PROVISION FOR CORPORATE SOCIAL RESPONSIBILITY EXPENSES		
	AS PER LAST BALANCE SHEET	568.92	282.92
	Additions during the year	136.64	286.00
	Amount used during the year	-	-
	<b>CLOSING BALANCE</b>	<b>705.56</b>	<b>568.92</b>
	<b>TOTAL</b>	<b><u>15085.40</u></b>	<b><u>19322.65</u></b>

Schedule forming part of the Balance Sheet (Contd.)



(₹ in lac)

As at 31st March, 2013      As at 31st March, 2012

**Note No. 14.1 TANGIBLE ASSETS**

**ACTIVE ASSETS \***

Gross Block	80754.18	78814.55
Less: Depreciation	60121.47	57897.14

<b>NET BLOCK</b>	<b><u>20632.71</u></b>	<b><u>20917.41</u></b>
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**DISCARDED ASSETS \*\***

Gross Block	6921.47	6981.97
Less: Depreciation	6137.15	6183.63

<b>NET BLOCK</b>	<b><u>784.32</u></b>	<b><u>798.34</u></b>
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Less: Provision	784.32	798.34
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<b>NET BLOCK (NET OF PROVISIONS)</b>	<b><u>-</u></b>	<b><u>-</u></b>
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**Note No. 14.2 INTANGIBLE ASSETS**

Gross Block	-	-
Less: Depreciation	-	-

<b>NET BLOCK</b>	<b><u>-</u></b>	<b><u>-</u></b>
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₹ in Lac

Schedule forming part of the Balance Sheet

DETAILS OF ACTIVE ASSETS \*

DESCRIPTION	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	Cost as at	During the Year	Cost as at	Upto	For the	Upto	As at	As at
	₹	₹	₹	01.04.2012	year	31.03.2013	31.03.2013	31.03.2012
		Additions	31.03.2013	year	Transfer	Transfer		
		Deduction/	to		from	to		
		Sale	Discarded		Sale	Discarded		
	₹	₹	Asset	₹	₹	Asset	₹	₹
			Discarded			Asset		
			Asset			₹		₹
Land:								
Free hold	151.61		151.61				151.61	151.61
Lease hold	1158.76	693.92	1852.68	96.30	87.14	183.44	1669.24	1062.46
Buildings including Sanitary and Water Supply System	11225.63	0.25	11225.88	6153.65	171.61	6325.26	4900.62	5071.98
Plant, Machinery and Mining Equipment	56155.19	1256.72	57357.85	43732.31	1860.00	45529.95	11827.90	12422.88
Furniture & Fixtures	609.13	14.59	623.72	474.03	12.13	486.16	137.56	135.10
Vehicles	831.58	24.60	850.91	650.63	33.16	679.11	171.80	180.95
Office Equipment, Hospital, Survey and Drawing Equipment	642.78	20.22	663.00	421.64	17.77	439.41	223.59	221.14
Roads, Bridges and Culverts	590.85		590.85	237.06	9.62	246.68	344.17	353.79
Railway Siding	544.97		478.39	136.02	21.54	63.25	384.08	408.95
Electrical Equipment and Installation	3246.00	55.24	3301.24	2659.53	63.26	2722.79	578.45	586.47
Shafts and Inclines	3658.05		3658.05	3335.97	78.39	3414.36	243.69	322.08
<b>Total</b>	<b>78814.55</b>	<b>2065.54</b>	<b>80754.18</b>	<b>57897.14</b>	<b>2354.62</b>	<b>60121.47</b>	<b>20632.71</b>	<b>20917.41</b>
Previous Year	77000.73	1926.58	78814.55	55684.17	2318.61	57897.14	20917.41	-
Discarded Assets	6981.97	-	6921.47	6183.63	-	46.48	784.32	798.34
Less Provision							784.32	798.34
Discarded Assets (net of provision)							-	-

# Refer main Profit & Loss Account and Note No. 15

Schedule forming part of the Balance Sheet



₹ in Lac

DETAILS OF DISCARDED ASSETS \*\*

DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK			
	Cost as at 01.04.2012	Additions	Deduction/ Sale	Transfer from Active Asset to Active Asset	Cost as at 31.03.2013	Upto 01.04.2012	For the year	During the year Deduction/ Sale	Transfer from Active Asset to Active Asset	Upto 31.03.2013	As at 31.03.2012	As at 31.03.2013
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
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			60.50	5600.99	5233.48		46.48		5187.00	413.99	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>60.50</b>	<b>6921.47</b>	<b>6183.63</b>	<b>-</b>	<b>-</b>	<b>46.48</b>	<b>6137.15</b>	<b>784.32</b>	<b>798.34</b>
Less Provision												
Discarded Assets (net of provision)												



**Schedule forming part of the Balance Sheet (Contd.)**

		(₹ in lac)	
		<u>As at 31st March, 2013</u>	<u>As at 31st March, 2012</u>
<b>Note No. 14.3 CAPITAL WORK IN PROGRESS</b>			
i)	Plant & Machinery	3758.46	3688.53
ii)	Others	5264.47	3360.35
		9022.93	7048.88
	Less: Provision	3391.21	6949.43
	<b>TOTAL</b>	<b><u>5631.72</u></b>	<b><u>99.45</u></b>

**Note No. 15 MINE DEVELOPMENT EXPENDITURE**

As per Last Balance Sheet	52528.70		50559.15
Add: Expenditure during the Year ( as per Note Below)	<u>18555.89</u>		<u>15688.24</u>
		71084.59	66247.39
Less: Value of Ore recovered during Mine Development	0.00		1089.82
Less: Amortisation during the Year	<u>13338.49</u>	<u>13338.49</u>	<u>12628.87</u>
		57746.10	13718.69
Less: Provision		4664.86	52528.70
		4664.86	4664.86
<b>TOTAL</b>		<b><u>53081.24</u></b>	<b><u>47863.84</u></b>

**Note: MINE DEVELOPMENT EXPENDITURE DURING THE YEAR**

i)	Salaries, Wages, Allowances	3400.28	3137.45
ii)	Contribution to Provident & Other Funds	307.95	282.12
iii)	Workmen & Staff Welfare Expenses	238.47	191.06
iv)	Gratuity	818.21	292.68
v)	Stores, Spares & Tools Consumed	5182.42	4200.23
vi)	Power, Fuel & Water	417.00	472.14
vii)	Royalty	-	45.43
viii)	Repair & Maintenance	3099.13	2203.45
ix)	Insurance	2.28	4.23
x)	Overburden Removal Expenditure	4225.46	4003.30
xi)	Depreciation	594.93	541.89
xii)	Other Expenses	269.76	314.26
	<b>TOTAL</b>	<b><u>18555.89</u></b>	<b><u>15688.24</u></b>

Schedule forming part of the Balance Sheet (Contd.)



(₹ in lac)

	<u>As at 31st March, 2013</u>	<u>As at 31st March, 2012</u>
<b>Note No. 16 NON-CURRENT INVESTMENTS</b>		
i) Non Trade Investment in Debentures	0.17	0.17
Less: Provision for diminution in value	<u>0.17</u>	<u>0.17</u>
ii) Investment in Mutual Fund (SBI) above 12 months	-	2950.00
iii) Investment in Mutual Fund (UTI) above 12 months	-	2000.00
iv) Investment in Mutual Fund (CANARA ROBECO) above 12 months	-	250.00
v) Investment in Mutual Fund (IDBI) above 12 months	200.00	450.00
<b>TOTAL</b>	<u><b>200.00</b></u>	<u><b>5650.00</b></u>
AGGREGATE BOOK VALUE - UNQUOTED	<u>Nil</u>	<u>850.00</u>
AGGREGATE BOOK VALUE - QUOTED	<u>200.00</u>	<u>4800.00</u>
MARKET PRICE OF QUOTED INVESTMENT	<u>200.61</u>	<u>4990.71</u>
<b>Note No. 17 LONG TERM LOAN AND ADVANCES</b>		
a) CAPITAL ADVANCES		
i) Secured (considered good)	2667.72	1077.41
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)	4.43	6.90
- Unsecured (considered good)		-
- Unsecured (considered doubtful)		-
ii) Other Advances		
- Unsecured (considered doubtful)	-	7369.57
Less: Provision for Other Loans & Advances **	<u>-</u>	<u>7369.57</u>
<b>c) DEPOSITS</b>	3083.94	3492.17
Less: Provisions for Deposits ***	<u>30.08</u>	<u>32.12</u>
	<u>3053.86</u>	<u>3460.05</u>
<b>TOTAL</b>	<u><b>5726.01</b></u>	<u><b>4544.36</b></u>
<b>PROVISIONS FOR CAPITAL ADVANCES *</b>		
OPENING BALANCE	0.02	0.02
Additions during the year	-	-
Amount used during the year	<u>-</u>	<u>-</u>
<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	<u>7369.57</u>	<u>-</u>
<b>CLOSING BALANCE</b>	<u><b>0.00</b></u>	<u><b>7369.57</b></u>
<b>PROVISIONS FOR DEPOSITS ***</b>		
OPENING BALANCE	32.12	32.12
Additions during the year	0.96	-
Amount used during the year	<u>3.00</u>	<u>-</u>
<b>CLOSING BALANCE</b>	<u><b>30.08</b></u>	<u><b>32.12</b></u>
<b>PARTICULARS OF LOANS AND ADVANCES DUE FROM DIRECTORS</b>		
Amount due at the end of the year	₹ Nil	₹ Nil
Advance due by firms or private companies in which any Director of the Company is a Director or member amounts to	₹ Nil	₹ Nil



**Schedule forming part of the Balance Sheet (Contd.)**

		(₹ in lac)	
		<u>As at 31st March, 2013</u>	<u>As at 31st March, 2012</u>
<b>Note No. 18</b>	<b>OTHER NON-CURRENT ASSETS</b>		
a)	LONG TERM TRADE RECEIVABLES	-	-
b)	OTHERS		
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>
<b>Note No. 19</b>	<b>CURRENT INVESTMENTS</b>		
i)	Investment in Mutual Fund (SBI) less than 12 months	6402.59	6480.00
ii)	Investment in Mutual Fund (UTI) less than 12 months	800.00	1932.94
iii)	Investment in Mutual Fund (CANARA ROBECO) less than 12 months	1005.73	800.04
iv)	Investment in Mutual Fund (IDBI) less than 12 months	450.00	
	<b>TOTAL</b>	<u>8658.32</u>	<u>9212.98</u>
	AGGREGATE BOOK VALUE - UNQUOTED	3023.39	1500.00
	AGGREGATE BOOK VALUE - QUOTED	5634.93	7712.98
	MARKET PRICE OF QUOTED INVESTMENT	<u>5895.67</u>	<u>7895.57</u>
<b>Note No. 20</b>	<b>INVENTORIES</b>		
	(VALUATION AS PER ACCOUNTING POLICY NO. 7)		
i)	Raw Materials	-	1.39
ii)	Semi-Finished and In-Process (at lower of cost or net realisable value)	30112.67	24421.82
	Less: Provision for Semi-Finished and In-Process *	118.48	678.36
		29994.19	23743.46
iii)	Finished Goods (at lower of cost or net realisable value)	1088.02	2306.96
iv)	Stores and spares	8480.74	9587.80
	Stores in transit/ pending inspection	1343.63	1222.68
		9824.37	10810.48
	Less: Provision for Obsolete Stores & Spares **	3080.35	4799.51
		6744.02	6010.97
v)	Loose tools	1.59	1.59
	<b>TOTAL</b>	<u>37827.82</u>	<u>32064.37</u>
	PROVISION FOR SEMI-FINISHED AND IN-PROCESS *		
	OPENING BALANCE	678.36	678.36
	Additions during the year	-	-
	Amount used during the year	559.88	-
	<b>CLOSING BALANCE</b>	<u>118.48</u>	<u>678.36</u>
	PROVISION FOR OBSOLETE STORES & SPARES **		
	OPENING BALANCE	4799.51	4905.45
	Additions during the year	1681.27	28.14
	Amount used during the year	3400.43	134.08
	<b>CLOSING BALANCE</b>	<u>3080.35</u>	<u>4799.51</u>

## Schedule forming part of the Balance Sheet (Contd.)



(₹ in lac)

	<u>As at 31st March, 2013</u>	<u>As at 31st March, 2012</u>
<b>Note No. 21 TRADE RECEIVABLES (DEBTORS)</b>		
a) DEBTS OUTSTANDING		
i) - Secured - Considered good	18450.53	12174.05
ii) - Unsecured - Considered good	-	-
iii) - Considered doubtful and provided	<u>367.16</u>	<u>357.28</u>
	18817.69	12531.33
Less: Provision for doubtful debts *	<u>367.16</u> 18450.53	<u>357.28</u> 12174.05
<b>TOTAL</b>	<b><u>18450.53</u></b>	<b><u>12174.05</u></b>
PROVISION FOR DOUBTFUL DEBTS *		
OPENING BALANCE	357.28	417.42
Additions during the year	24.89	0.89
Amount used during the year	<u>15.01</u>	<u>61.03</u>
<b>CLOSING BALANCE</b>	<b><u>367.16</u></b>	<b><u>357.28</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 ₹Nil (Previous year ₹Nil).		
<b>Note No. 22 CASH AND BANK BALANCES</b>		
<b>A) CASH AND CASH EQUIVALENTS</b>		
i) Balances with banks	720.26	1061.11
ii) Cheques, drafts on hand	-	0.45
iii) Cash on hand	4.08	5.58
<b>B) OTHER BANK BALANCES</b>		
i) Bank deposits upto 3 months maturity from date of original investment		
With scheduled banks	200.00	745.00
With other banks	-	-
ii) Bank deposits with more than 3 months and upto 12 months maturity		
With scheduled banks	29513.73	21356.09
With other banks	-	-
iii) Bank deposits with more than 12 months maturity		
With scheduled banks	13001.99	19573.47
With other banks	-	-
iv) Deposit account-Unpaid Dividend	3.75	-
v) Investment in Mutual Fund (UTI) upto 3 months	-	-
vi) Investment in Mutual Fund (SBI) upto 3 months	401.60	300.14
vii) Investment in Mutual Fund (LIC) upto 3 months	-	-
viii) Investment in Mutual Fund (CANARA ROBECO) upto 3 months	-	1853.39
<b>C) MARGIN MONEY</b>		
i) Margin Money (For opening of letter of credit or similar facilities )	-	25.00
<b>TOTAL</b>	<b><u>43845.41</u></b>	<b><u>44920.23</u></b>
AGGREGATE BOOK VALUE - UNQUOTED	<u>401.60</u>	<u>2153.53</u>
AGGREGATE BOOK VALUE - QUOTED	₹Nil	₹Nil
MARKET PRICE OF QUOTED INVESTMENT	₹Nil	₹Nil



**Schedule forming part of the Balance Sheet (Contd.)**

		(₹ in lac)	
		<u>As at 31st March, 2013</u>	<u>As at 31st March, 2012</u>
<b>Note No. 23</b>	<b>SHORT TERM LOANS AND ADVANCES</b>		
<b>A)</b>	<b>LOANS</b>		
i)	-Employees (including accrued interest)	-	-
ii)	-Others	-	-
		<u>-</u>	<u>-</u>
<b>B)</b>	<b>ADVANCES</b>		
i)	Employees		
	- Unsecured (considered good)	140.80	260.95
	- Unsecured (considered doubtful)	<u>2.03</u>	<u>2.03</u>
		142.83	262.98
ii)	Advances to contractors / suppliers		
	- Secured (considered good)	-	-
	- Unsecured (considered good)		
	- Against Bank Guarantee	-	-
	- Others	3128.08	1263.85
	- Unsecured (considered doubtful)	<u>95.27</u>	<u>198.33</u>
		3223.35	1462.18
iii)	Other Advances		
	- Unsecured (considered good)	659.58	914.84
	- Unsecured (considered doubtful)	<u>103.59</u>	<u>70.22</u>
		<u>763.17</u>	<u>985.06</u>
		4129.35	2710.22
	Less: Provision for Doubtful Loans and Advances *	<u>200.89</u>	<u>270.58</u>
		3928.46	2439.64
<b>C)</b>	<b>DEPOSITS</b>		
	Deposits	2128.99	1656.30
	Less: Provision for Doubtful Deposits **	-	-
		<u>2128.99</u>	<u>1656.30</u>
	<b>TOTAL</b>	<u><b>6057.45</b></u>	<u><b>4095.94</b></u>
	<b>DETAILS OF PROVISIONS</b>		
	<b>PROVISION FOR DOUBTFUL LOANS AND ADVANCES *</b>		
	OPENING BALANCE	270.58	584.01
	Additions during the year	26.61	20.03
	Amount used during the year	<u>96.30</u>	<u>333.46</u>
	<b>CLOSING BALANCE</b>	<u><b>200.89</b></u>	<u><b>270.58</b></u>
	<b>PROVISION FOR DOUBTFUL DEPOSITS **</b>		
	OPENING BALANCE	-	-
	Additions during the year	-	-
	Amount used during the year	<u>-</u>	<u>-</u>
	<b>CLOSING BALANCE</b>	<u><b>-</b></u>	<u><b>-</b></u>
	Explanatory Note: -		
	<b>PARTICULARS OF LOANS AND ADVANCES DUE FROM DIRECTORS</b>		
	i) Amount due at the end of the year	₹ Nil	₹ Nil
	ii) Advance due by firms or private companies in which any Director of the Company is a Director or member amounts to ₹Nil (Previous year ₹Nil)		

Schedule forming part of the Balance Sheet (Contd.)



(₹ in lac)

	<u>As at 31st March, 2013</u>	<u>As at 31st March, 2012</u>
<b>Note No. 24 OTHER CURRENT ASSETS</b>		
<b>a) INTEREST ACCRUED ON</b>		
i) LC from Customers	27.28	10.49
ii) Investments	-	16.35
iii) Deposits	3348.61	1579.96
iv) Others	24.07	29.22
<b>b) OTHER CURRENT ASSETS</b>		
i) Other Current Assets	221.24	690.37
Less: Provision for Other Current Assets *	<u>3.52</u>	<u>3.52</u>
	217.72	686.85
<b>c) CLAIMS RECOVERABLE</b>		
i) Claims recoverable from different agencies	800.46	963.46
Less: Provision for Doubtful Claims **	<u>175.99</u>	<u>589.30</u>
	624.47	374.16
<b>d) OTHER RECOVERABLES</b>		
i) Other Recoverables	-	-
<b>TOTAL</b>	<u><u>4242.15</u></u>	<u><u>2697.03</u></u>
<b><u>DETAILS OF PROVISIONS</u></b>		
<b>PROVISION FOR OTHER CURRENT ASSETS *</b>		
OPENING BALANCE	3.52	1.50
Additions during the year	-	2.02
Amount used during the year	-	-
<b>CLOSING BALANCE</b>	<u><u>3.52</u></u>	<u><u>3.52</u></u>
<b>PROVISION FOR DOUBTFUL CLAIMS **</b>		
OPENING BALANCE	589.30	610.72
Additions during the year	29.38	413.36
Amount used during the year	<u>442.69</u>	<u>434.78</u>
<b>CLOSING BALANCE</b>	<u><u>175.99</u></u>	<u><u>589.30</u></u>



## Schedule forming part of the Profit & Loss Account

	<u>As at 31st March, 2013</u>	<u>As at 31st March, 2012</u>
(₹ in lac)		
<b>Note No. 25 REVENUE FROM OPERATIONS</b>		
SALE OF PRODUCTS		
- Domestic	139447.96	157168.00
- Export	8079.16	6649.87
	<u>147527.12</u>	<u>163817.87</u>
Less: Discount & Rebate	321.83	731.66
SALES (Net of Discounts) (A)	<u>147205.29</u>	<u>163086.21</u>
SALE OF SERVICES (B)	6.77	50.19
OTHER OPERATING REVENUES (C)	129.91	275.85
<b>TOTAL (A+B+C)</b>	<b><u>147341.97</u></b>	<b><u>163412.25</u></b>
<b>Note No. 26 OTHER INCOME</b>		
<b>A) TRADE</b>		
- Claims	-	64.34
- Interest received from Customers	450.90	415.98
<b>SUB TOTAL (A)</b>	<u>450.90</u>	<u>480.32</u>
<b>B) NON-TRADE</b>		
- Dividend income -Mutual Fund	847.22	539.18
- Interest from Term Deposits	4819.96	3226.10
- Interest - Others	235.33	181.31
<b>SUB TOTAL (B)</b>	<u>5902.51</u>	<u>3946.59</u>
<b>C) OTHER INCOME</b>		
- Profit on sale of Assets	5.79	11.86
- Provisions not required written back #	16248.57	532.46
- MTM Credit/ Debit & Hedging Expenses	5.62	49.34
- Profit on Sale of Investment	552.98	299.51
- Penalty & Liquidated Damages	705.32	881.34
- Exchange Rate Variation	-	0.16
- Transfer from Special Reserve	0.76	2.66
- Others	1097.80	2287.78
<b>SUB TOTAL (C)</b>	<u>18616.84</u>	<u>4065.11</u>
<b>TOTAL (A+B+C)</b>	<b><u>24970.25</u></b>	<b><u>8492.02</u></b>
Details of Provisions not required written back # (Refer Note No. 13 of General Notes on Accounts)		
Provision for Bad and Doubtful debts	0.40	28.68
Provision for Royalty on gold and silver	572.88	302.55
Provision for MSMED of earlier years no longer required	-	48.37
Provision for CWIP	3558.22	-
Provision for Doubtful Advances / Deposits & Claims	7426.35	15.30
Provision for Stores & Spares	1137.32	111.03
Provision for Discarded / Active Assets	22.24	-
Provision for Arbitration Award	1681.15	-
Others	1850.01	26.53
<b>TOTAL</b>	<b><u>16248.57</u></b>	<b><u>532.46</u></b>

**Schedule forming part of the Profit & Loss Account (Contd.)**



(₹ in lac)

	<u>As at 31st March, 2013</u>	<u>As at 31st March, 2012</u>
<b>Note No. 27 COST OF MATERIALS CONSUMED</b>		
Raw Materials Consumed	5521.96	6064.13
Value of Ore Raised During Mine Development	0.00	1089.82
<b>TOTAL</b>	<b><u>5521.96</u></b>	<b><u>7153.95</u></b>
<b>Note No. 28 CHANGES IN INVENTORIES OF FINISHED GOODS, SEMI-FINISHED AND IN-PROCESS</b>		
<b>A. OPENING STOCK:</b>		
Finished Goods	2306.96	892.74
Semi-Finished and In-Process	<u>24421.82</u>	<u>28051.27</u>
<b>TOTAL OPENING STOCK</b>	<b><u>26728.78</u></b>	<b><u>28944.01</u></b>
<b>B. CLOSING STOCK:</b>		
Finished Goods	1088.02	2306.96
Semi-Finished and In-Process	<u>30112.67</u>	<u>24421.82</u>
<b>TOTAL CLOSING STOCK</b>	<b><u>31200.69</u></b>	<b><u>26728.78</u></b>
<b>(INCREASE)/ DECREASE (A-B)</b>	<b><u>(4471.91)</u></b>	<b><u>2215.23</u></b>
<b>Note No. 29 EMPLOYEES' BENEFITS EXPENSES</b>		
Salaries, Wages & Allowances	25502.86	25376.62
Bonus/Ex-gratia/Performance Related Pay	1144.14	1880.55
Contribution to Provident & Other Funds	2149.93	2174.82
Workmen & Staff Welfare Expenses	1758.23	1490.58
Gratuity	<u>4970.86</u>	<u>3027.46</u>
<b>TOTAL</b>	<b><u>35526.02</u></b>	<b><u>33950.03</u></b>
Explanatory Note: -		
The detail of Remuneration paid/payable to Directors as included in above payments are as follows: -		
(i) Salaries & Allowances	146.95	146.69
(ii) Contribution to Provident & Other Funds	8.19	8.57
(iii) Re-imbursment of Medical Expenses	0.72	1.52
(iv) Leave Travel Concession	<u>4.66</u>	<u>-</u>
<b>TOTAL</b>	<b><u>160.52</u></b>	<b><u>156.78</u></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.



## Schedule forming part of the Profit & Loss Account (Contd.)

	(₹ in lac)	
	<u>As at 31st March, 2013</u>	<u>As at 31st March, 2012</u>
<b>Note No. 30 FINANCE COST</b>		
- Interest on Cash Credit	0.45	2.32
- Others	427.81	150.39
<b>TOTAL</b>	<u>428.26</u>	<u>152.71</u>
<b>Note No. 31 DEPRECIATION AND AMORTISATION EXPENSES</b>		
<b>A. DEPRECIATION</b>		
Depreciation for the year	2354.62	2318.61
Less: Depreciation transferred to Mine Development Expenditure	594.93	541.89
Less: Depreciation transferred to Prior Period	-	-
<b>SUB TOTAL (A)</b>	<u>1759.69</u>	<u>1776.72</u>
<b>B. AMORTISATION</b>		
Amortisation during the year	13338.49	12628.87
<b>SUB TOTAL (B)</b>	<u>13338.49</u>	<u>12628.87</u>
<b>TOTAL (A+B)</b>	<u>15098.18</u>	<u>14405.59</u>

## Schedule forming part of the Profit & Loss Account (Contd.)



(₹ in lac)

**As at 31st March, 2013**

**As at 31st March, 2012**

### Note No. 32 GENERAL, ADMINISTRATION AND OTHER EXPENSES

#### A. OTHER MANUFACTURING EXPENSES

- Stores, Spares & Tools Consumed	10628.03	8409.91
- Consumption of Power, Fuel & Water	25114.02	15952.87
- Royalty, Cess & Decretal amount	6722.90	6065.96
- Contractual Job for Process	5237.57	5407.03
- Handling & Transportation	2992.49	2210.43
- Tolling Charges	4296.25	5839.13
<b>SUB TOTAL (A)</b>	<b>54991.26</b>	<b>43885.33</b>

#### B. REPAIRS & MAINTENANCE

- Building	177.17	78.56
- Machinery	1782.39	1336.89
- Others	478.41	437.76
<b>SUB TOTAL (B)</b>	<b>2437.97</b>	<b>1853.21</b>

#### C. MAJOR OVERHAUL EXPENSES

**308.04** -

#### D. ADMINISTRATION EXPENSES

- Insurance	140.62	132.43
- Rent	91.05	81.84
- Rates and Taxes	2103.17	1552.80
- Security Expenses	290.75	293.97
- Travelling and Conveyance	440.45	319.32
- Telephone, Telex and Postage	80.08	75.65
- Advertisement and Publicity	173.06	137.90
- Printing and Stationery	48.19	49.18
- Books & Periodicals	7.71	12.03
- Consultancy Charges - Indigenous	159.00	142.29
- Consultancy Charges - Foreign	-	7.33
- Loss on Sale of Stores	4.84	396.74
- Research & Development Expenses	4.61	21.63
- Corporate Social Responsibility Expenses	513.36	162.12
- Hire Charges	1182.49	880.41
- Audit Expenses (Refer detail below at Sl 1)	33.55	32.00
- Director Expenses (Refer below at Sl 2)	5.40	3.05
- Other General Expenses	854.19	772.21
<b>SUB TOTAL (D)</b>	<b>6132.52</b>	<b>5072.90</b>



**Schedule forming part of the Profit & Loss Account (Contd.)**

		(₹ in lac)	
		<u>As at 31st March, 2013</u>	<u>As at 31st March, 2012</u>
<b>E.</b>	<b>PROVISIONS (Refer detail below at Sl 3)</b>	<b>785.31</b>	<b>1066.27</b>
	<b>TOTAL (A+B+C+D+E)</b>	<b><u>64655.10</u></b>	<b><u>51877.71</u></b>
	Explanatory Note: -		
	<b>1) Detail of Audit Expenses are as under: -</b>		
	i) Statutory Auditors		
	As Auditor		
	- Statutory Audit Fees	8.27	6.13
	- Tax Audit Fees	<u>1.96</u>	<u>1.96</u>
	In Other Capacity	10.23	8.09
	- Other Matters / Services	6.42	6.57
	Reimbursement of Expenses	10.46	10.86
	ii) Cost Auditors		
	- Cost Audit Fees	1.40	0.30
	- Reimbursement of Expenses	0.05	0.03
	iii) Internal Auditors		
	- Audit Fees	1.68	2.80
	- Reimbursement of expenses	<u>3.31</u>	<u>3.35</u>
	<b>TOTAL</b>	<b><u>33.55</u></b>	<b><u>32.00</u></b>
	<b>2) Sitting fees to Independent Directors</b>	5.40	3.05
	<b>3) Detail of Provisions are as under: -</b>		
	Doubtful debts	10.27	0.89
	Doubtful advances / deposits	16.51	11.02
	Doubtful claims	-	5.49
	Interest on MSMED	122.72	43.30
	Excise Duty on Anode Slime Credit	-	260.45
	Sales Tax on Anode Slime Credit	-	215.92
	Provision for diminution in value of Investment	-	0.17
	Provision for Corporate Social Responsibility	136.64	286.00
	Provision for Rates & Taxes	246.57	190.87
	Provision for Fixed Assets/ Stores	251.11	8.56
	Provision for Others	<u>1.49</u>	<u>43.60</u>
	<b>TOTAL</b>	<b><u>785.31</u></b>	<b><u>1066.27</u></b>
<b>Note No. 33</b>	<b>PRIOR PERIOD ADJUSTMENTS (NET)</b>		
<b>A.</b>	<b>INCOME</b>		
	Others	-	3.16
	Sale of Products	<u>73.42</u>	<u>-</u>
	<b>SUB TOTAL (A)</b>	<b>73.42</b>	<b>3.16</b>
<b>B.</b>	<b>EXPENDITURE</b>		
	Rates & Taxes	1.01	-
	Handling & Transportation	9.15	-
	Bank Charges	<u>0.01</u>	<u>-</u>
	<b>SUB TOTAL (B)</b>	<b><u>10.17</u></b>	<b><u>-</u></b>
	<b>TOTAL</b>	<b><u>(63.25)</u></b>	<b><u>(3.16)</u></b>
<b>Note No. 34</b>	<b>TAX EXPENSES</b>		
	<b>CURRENT TAX</b>		
	Income Tax Provision	7969.96	15870.55
	Deferred Tax Account	<u>(3173.03)</u>	<u>(921.78)</u>
	<b>TOTAL</b>	<b><u>4796.93</u></b>	<b><u>14948.77</u></b>

## Schedule forming part of the Accounts



### 35 GENERAL NOTES ON ACCOUNTS

	Year <u>2012-13</u>	(₹ in lac) Year <u>2011-12</u>
1. Contingent Liabilities not provided for in respect of :-		
(a) Estimated amount of commitments		
i. Capital	1168.82	29649.07
(b) Other money for which the company is contingently liable		
i. Value Added Tax / Central Sales Tax/ Entry Tax	511.11	477.01
ii. Excise Duty / Income Tax	5069.97	3457.29
iii. Others	<u>21756.94</u>	<u>19639.23</u>
TOTAL	<u>28506.94</u>	<u>53222.60</u>
2. The Municipal Council, Malanjkhand, raised a demand on MCP/HCL amounting to ₹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 was contested by the company before the Hon'ble High Court, Jabalpur, M.P. and the company paid ₹352.33 lac towards penalty Terminal Tax as per the order of Hon'ble High Court, Jabalpur, M.P. Subsequently the matter was turned down by the Hon'ble High Court, Jabalpur, M.P. The Company filed writ petition with Hon'ble Supreme Court of India. The Hon'ble Supreme Court vide its order dated 29.07.2011 directed the Company to deposit an ad-hoc amount of ₹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'.		
3. During the year, the company has made a provision amounting to ₹600.00 lac towards Performance Related Pay payable to the executives for F.Y. 2012-13 which is shown under 'Employees' Benefit Expenses'.		
4. There was a dispute with Madhya Pradesh State Electricity Board regarding interest on electricity tariff amounting to ₹7008.00 lac payable by MCP/HCL which is pending for long time. Jabalpur High Court vide its order dated 01.12.2011 dismissed the writ petition filed by the company. Thereafter, the company 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'.		
5. The Municipal Council, Malanjkhand, Madhya Pradesh issued demands on MCP/HCL for ₹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 ₹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 ₹1032.47 lac has been included under 'Contingent Liability'.		
6. In absence of lease agreement with the State Government in respect of certain leasehold lands, the amortization has been done against 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 the possession of the company.		



## Schedule forming part of the Accounts (Contd.)

7. In accordance with the guidelines of AS-28 on “Impairment of Assets” issued by the Institute of Chartered Accountants of India, the Company assessed the recoverable value of its Cash Generating Units during preceding F.Y. 2011-12. Due to economic consideration, the Company had suspended KCC Smelter, Refinery and Sulphuric Acid Plant from December 2008. During the preceding financial year the Company had 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 were lower than the recoverable value. In the opinion of the management, there is no impairment of assets requiring provision to be made in the accounts during the year under review.
8. The title deeds are yet to be executed in respect of office flat at SCOPE Complex, Delhi and Jaipur office having book value of ₹85.58 lac (Previous year ₹87.31 lac).
9. 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 ₹5.62 lac during the year under review which is shown under ‘Other Income’ (Previous Year – a net gain of ₹49.34 lac).
10. At ICC, Pollution Control Plant under Package I & III amounting to ₹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, adequate provision for the same has been made in the accounts to take care of efflux of time over the years.
11. Majority of balances under the heads Sundry Creditors, Claims Recoverable, Loans, Advances, Sundry Debtors and bank balances are confirmed and wherever necessary, reconciliation process is in progress.
12. 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  | - ₹ | 2568.99 lac |
| ii) Interest due on above  | - ₹ | 143.28 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   | - ₹ | NIL         |
| 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   | - ₹ | NIL         |
| d) Amount of interest accrued and remaining unpaid at the end of the financial year  | - ₹ | 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 | - ₹ | 251.51 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.

**Schedule forming part of the Accounts (Contd.)**



13. During the year the Company has written back old liabilities / provisions amounting to ₹16248.57 lac in the accounts, the details of which are as under :-

SRL NO.	Particulars	₹ in lac	REASONS FOR REVERSAL
1.	Provision for Environmental Study by M/S Bishimetal Exploration Company Ltd. relating to Malanjkhanda Mines no longer required	3162.56	Since the beneficial use of the technical study / report has now been utilized, the Board approved the proposal of write back of old provisions.
2.	Provision for Feasibility Study by M/S Robertson Research Australia relating to Chapri- Siddeshwar Copper Project, Rakha & Surda Expansion Plan & re-opening of closed Kendadih Mines no longer required	395.66	Since the beneficial use of the technical study / report has now been utilized, CMD approved the proposal of write back of old provisions.
3.	Write back of provision against "Loans & Advances" (Amount paid to Madhya Pradesh State Electricity Board)	7369.57	In compliance to Audit Para issued by CAG, the provision against "Loans & Advances" has been written back to Revenue and equivalent amount has also been charged to Revenue resulting NIL impact in the profitability of the Company. This is as per present practice of the Company. The Company had already paid tax on the amount over the years.
4.	Write back of old provision against Shortage of Coal & Finished Goods relating to Indian Copper Complex	1244.29	For better and accepted accounting presentation, the provision against shortage of Stores & Spares and Finished Goods have been written back to Revenue by corresponding equivalent charge to Revenue resulting NIL impact in the profitability of the Company. The Company had already paid tax on the amount over the years.
5.	Write back of old provision in respect of claim of arbitration award made by M/S Bhagwati Gases Ltd for supply of 120 TPD gas at Khetri Copper Complex	688.20	As per consistent policy of the Company, Claim against the Company disputed in Court be treated as Contingent Liability. In the instant case, arbitration award against the Company is being contested in the District Court of Jhunjhunu, Rajasthan. Accordingly write back of old provision has been made in the accounts.
6.	Write back of excess provision in respect of claim of award made by M/S Bhagwati Gases Ltd for supply of 50 TPD gas at Khetri Copper Complex	312.54	Consequent to full & final settlement of award claim with the party, the excess provision remaining in the books of accounts has been written back.



**Schedule forming part of the Accounts (Contd.)**

7.	Write back of old provision of Royalty on Gold & Silver erroneously created in earlier years at Malanjkhanda Copper Project	572.88	On scrutiny it is found that no demand for Royalty on Gold & Silver is being made by Appropriate Authority nor is any such liability substantiated by facts and evidences in records. Accordingly non-existent book liability has been written back.
8.	Write back of old provision of additional depreciation on Tail Gas Plant erroneously created at Khetri Copper Complex	457.17	In earlier years, the additional depreciation was mistakenly created twice resulting in excess provision of depreciation. This is corrected by reversal of provision.
9.	Write back of provision in respect of claim of arbitration award made by M/S Paramount Pollution Control Ltd for providing Alkali Scrubbing Plant at Khetri Copper Complex	223.23	As per consistent policy of the Company, claim against the Company disputed in Court be treated as Contingent Liability. In the instant case, arbitration award against the Company is being contested in the District Court of Jhunjhunu, Rajasthan. Accordingly write back of old provision has been made in the accounts.
10.	Excess provision of Stores & Spares written back of all units	1137.32	Excess provision of Stores & Spares written back of all units after physical verification carried out during the year under review.
11.	Write back of excess provision of Excise Duty on Anode Slime sale pertaining to Khetri Copper Complex & Malanjkhanda Copper Project	260.45	Based on the advice of Tax Consultant, the exact liability on account of Excise Duty on Sale of Anode Slime has been determined and the excess provision already created in earlier years has been written back.
12.	Unclaimed / Old liability for more than 5 years no longer required written back	345.28	There are old liabilities under various heads remain unclaimed for more than 5 years including provision of retired employees for which payment were made through Revenue head earlier resulting creation of excess liability in the books of accounts. The total unclaimed / old provision has been written back to Revenue by maintaining Memoranda Records for any future references and payments if claimed subsequently.
13.	Write back of other miscellaneous provisions	79.42	There are miscellaneous provisions in the books of accounts without any specific details nor any claim made by parties. As a result, the amount is written back to Revenue for better presentation of accounts.
	<b>TOTAL</b>	<b>16248.57</b>	

**Schedule forming part of the Accounts (Contd.)**



14. In terms of Accounting Policy (Note No. 2.h.2) a sum of ₹ 1868.82 lac incurred in respect of working mines in Khetri Copper Complex have been apportioned and debited to Capital Expenditure in the year under the head “Mine Development Expenditure” on the basis of in-house technical estimates.
15. Irregularities committed in debtors and sales ledger since earlier years with an intention to extend financial benefits to some handful customers have been detected during the current year and all possible steps have been taken to stop the recurrence of the same during the current financial year itself. Financial benefits to some customers includes allowing delivery of materials without receipt of payments for the same. Total financial implications for such benefits have been tentatively determined from the available records. The determined amount includes total cost of materials and interest thereon from the date of delivery of materials. In the detected cases the cost of materials have been recovered till the finalization of accounts for the year ended 31.03.2013 and interest amounting to ₹ 81.38 lac are yet to be recovered. Necessary legal action will be initiated on the basis of legal advice on non-payment of interest.
16. 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)

	<b>MSB GROUP OF MINES</b>	<b>RCP</b>	<b>CCP</b>	<b>DCP</b>	<b>Fertilizer Plant</b>
i) Initial disclosure event (Year of closure)	1997 to 2003	2001	2002	1994	2001
ii) Carrying amount of Assets	No separate records maintained	59.87 (52.93)	- (-)	- (-)	No separate records are maintained
iii) Liabilities to be settled		137.17 (137.17)	73.04 (73.04)	3.38 (3.38)	
iv) Amount of income		- (-)	- (-)	- (-)	
v) Amount of expenses	- (-)	34.70 (-)	- (-)		
vi) Gain on sale of assets (Included in iv above)	- (-)	- (-)	- (-)	- (-)	

17. 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)”.
18. Sales for the period include FOB value of Export Sale :-

	<b>Year 2012-13</b>		<b>Year 2011-12</b>	
	<b>Qty (MT)</b>	<b>(₹ in lac)</b>	<b>Qty (MT)</b>	<b>(₹ in lac)</b>
Anode Slime	30.000	5210.32	30.000	6649.87
Copper Reverts	730.000	2868.84	-	-
		<u>8079.16</u>		<u>6649.87</u>



Schedule forming part of the Accounts (Contd.)

19. In terms of Accounting Standard – 18 on “ Related Party Disclosures”:

Particulars	Key Management Personnel	Total Remuneration (₹ in lac)	
		Year ended 2012-13	Year ended 2011-12
Receiving of Services	1. Sri Shakeel Ahmed CMD	34.49(Part year)	46.78
	2. Sri K D Diwan D(OP) / CMD	38.58	38.96
	3. Sri Anupam Anand D(P)	38.93	37.29
	4. Sri Avijit Ghosh D(Min)	37.21	34.70
	5. Sri K K Saberwal	29.74(Part year)	19.36

20. In terms of Accounting Standard – 20 on “Earning Per Share”: (₹ in lac)

	BASIC	DILUTED
Numerator used: Profit After Tax	35564.35 (32346.34)	35564.35 (32346.34)
Denominator used: Weighted average number of Equity Shares of ` 5/- (Previous year ` 5/- each) outstanding during the period.	925218000 (925218000)	925218000 (925218000)
Earning Per Share( )	3.84	3.84

21. 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 01.04.2012	Adjustment during the year	Credit/ (Charge) during 2012-13	Deferred Tax Asset/(Liability) as at 31.03.2013
Deferred Tax Asset :-				
Difference between provision made in accounts and claims made as per I. T Act	21804.61	(5723.41)	(8299.03)	7782.17
	21804.61	(5723.41)	(8299.03)	7782.17
Deferred Tax Liability :-				
Difference between net book value of depreciable capital assets vis-à-vis WDV as per IT Act	(21222.70)	5723.41	11472.06	(4027.23)
	(21222.70)	5723.41	11472.06	(4027.23)
Deferred Tax Asset (Net)	581.91	-	3173.03	3754.94

22. **PROVISIONS FOR CONTINGENCIES: -**

(₹ in lac)

Particulars	Discarded Fixed Assets	Capital WIP & Advance	Mines Development Expenditure	Others	TOTAL
Carrying amount as at 01.04.12	798.34	6949.43	4664.86	78537.28	90949.91
Amount provided during the year	-	-	-	30564.96	30564.96
Amounts utilized against provision	14.02	3558.22	-	83201.96	86774.20
Unused amounts released during the year.	-	-	-	-	-
Carrying amount as at 31.03.13	784.32	3391.21	4664.86	25900.38	34740.67



**23. GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS IN TERMS OF AS-15 (REVISED)**

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. During the year, the Company has for the first time funded through Life Insurance Corporation of India and SBI Life Insurance towards leave encashment. Expenses recognized in Profit & Loss Account and Mine Development Expenditure amounts to ₹ 9359.51 lac 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 (Partially funded Plan)	Leave Travel Concession (Non-funded Plan)
<b>(i) Change in Defined Benefit Obligation</b>			
Opening defined benefit obligation	15561.79	7003.57	51.62
Current service cost	761.29	804.32	
Interest cost	1191.57	469.27	(15.14)
Benefits Paid	3086.62	2275.34	481.81
Actuarial gain / (loss)	6678.46	1809.97	503.12
Closing defined benefit obligation	21106.49	7811.79	57.79
<b>(ii) Change in Fair Value of Assets</b>			
Opening fair value of plan assets	15406.72	0.00	
Expected return on plan assets	1232.54	0.00	
Actuarial gain / (loss)	1609.18	1.62	
Contributions by employer	5955.10	3475.34	
Benefits paid	3086.62	2275.34	
Closing fair value of plan assets	21116.92	1201.6	
<b>(iii) Amount recognized in the Balance Sheet</b>			
Opening Net Liability	155.07	7003.57	
Expenses Recognized	5789.60	3081.93	487.98
Contributions	5955.10	3475.34	
Closing Net Liability	(10.43)	6610.16	487.98
Closing Fund / Provision at end of year	21106.4	7811.79	57.79
<b>(iv) Expenses recognized in the Profit and Loss Account</b>			
Current service cost	761.29	804.32	
Interest cost	1191.57	469.27	(15.14)
Expected Return on Plan Asset	1232.54		
Net actuarial gain / loss recognized in the current year	5069.28	1808.34	503.12
Expenses Recognized as on 31.03.2013	5789.60	3081.93	487.98



## Schedule forming part of the Accounts (Contd.)

The details of the plan assets as on 31.03.2013 towards gratuity & leave encashment are as follows:

(₹ in lac)

Investment in Life Insurance Corporation of India	10061.00
Investment in SBI Life Insurance Ltd.	12129.22
Investment in Birla Sunlife Asset Management Co. Ltd.	128.32
<b>Total</b>	<b>22318.54</b>

Actual Return on Plan Assets during the year - ₹ 1465.23 lac.

The principal assumptions used for actuarial valuation are:

i) Method used	Projected Unit Credit Method
ii) Discount Rate	8.00%
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.

24. 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 account.
25. 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:

	(₹ in lac)	
	As on 31.03.2013	As on 31.03.2012
Excise Duty on Closing Stock	853.72	625.43
Less: Excise Duty on Opening Stock	625.43	425.09
Net Excise Duty	<u>228.29</u>	<u>200.34</u>

26. As per Accounting Policy (Note No. 2.c.5) the physical verification of fixed assets has not been carried out during the financial year 2012-13.
27. 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.

Schedule forming part of the Accounts (Contd.)



35. GENERAL NOTES ON ACCOUNTS (Contd.):  
Additional information forming part of accounts for year ended March 31, 2013  
35.1 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	Value ₹ in lac	Quantity	Value ₹ in lac	Quantity	Value ₹ in lac		Quantity
<b>Manufacturing Activities</b>												
<b>a : Main products</b>												
1 Wire bar	MT	39400 (39400)	39400* (39400)	- (-)	- (-)	0.25 (0.25)	- (-)	0.25 (0.25)	- (-)	- (-)	- (-)	
2 Wire rod	MT	60000 (60000)	60000 (60000)	20252 (25097)	753 (328)	2306.96 (892.74)	276 (753)	1088.02 (2306.96)	20729 (24672)	108517.49 (119673.74)	- (-)	
3 Cathode including Toll Smelted Cathode	MT	49500 (49500)	49500** (49500)	24210 (28358)	703 (329)	1606.60 (546.64)	768 (703)	2493.33 (1606.60)	3783 (2719)	19595.89 (13243.35)	20362 (25265)	
<b>b : By products</b>												
1 Gold	KG	264 (264)	698 (698)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	
2 Silver	KG	4763 (4763)	9868 (9868)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	
3 Nickel sulphate	MT	250 (250)	390 (390)	- (-)	6 (6)	4.78 (4.78)	6 (6)	4.78 (4.78)	- (-)	- (-)	- (-)	
4 Selenium	KG	10000 (10000)	14600 (14600)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	
5 Sulphuric acid	MT	236000 (236000)	236000 (236000)	6304 (3539)	2469 (2640)	133.68 (94.72)	1845 (2469)	105.71 (133.68)	4819 (1567)	276.17 (47.76)	2109 (2143)	



35. GENERAL NOTES ON ACCOUNTS (Contd.):

Additional information forming part of accounts for year ended March 31, 2013

35.1 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	Value ₹ in lac	Quantity	Value ₹ in lac	Quantity	Value ₹ in lac		Quantity
c : Allied and semi- Finished products												
1	Anode slime	MT	NA	-	29	7	1560.65	6	1256.58	30	5210.37	-
			(NA)	(29)	(29)	(5)	(547.75)	(7)	(1560.65)	(30)	(6649.87)	(-3)
2	Copper mould	MT	NA	-	-	52	90.04	52	90.04	-	-	-
			(NA)	(-)	(-)	(52)	(90.04)	(52)	(90.04)	(-)	(-)	(-)
3	Kyanite	MT	NA	-	-	13	0.08	13	0.08	-	-	-
			(NA)	(-)	(-)	(13)	(0.08)	(13)	(0.08)	(-)	(-)	(-)
4	Others	MT	NA	-	-	-	-	-	-	-	13927.20	*****
			(NA)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(24203.15)	
<b>GRAND TOTAL</b>							<b>5703.04</b>	<b>5038.79</b>	<b>5038.79</b>	<b>*****</b>	<b>147527.12</b>	
							<b>(2177.00)</b>	<b>(5703.04)</b>	<b>(5703.04)</b>		<b>(163817.87)</b>	

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 ₹0.25 Lac and Kyanite ₹0.08 Lac which are shown in Work-in-Progress.  
Anode Slime Rs 1560.65 Lac, Copper Mould ₹90.04 Lac, Cathode ₹1606.60 Lac, Nickel Sulphate ₹4.78 Lac, Sulphuric Acid ₹133.68 Lac,  
\*\*\*\* Closing stock includes value of Wire Bar ₹0.25 Lac, Cathode ₹2493.33 Lac, Nickel Sulphate ₹4.78 Lac, Sulphuric Acid ₹105.71 Lac,  
Anode Slime ₹1256.58 Lac, Copper Mould ₹90.04 Lac and Kyanite ₹0.08 Lac which are shown in Work-in-Progress.  
\*\*\*\*\* Other Sales include Sale of Copper Concentrate of MCP origin Qty 1330.53 CMT valuing ₹138.66 Lac and KCC origin differential between provisional and final invoice valuing ₹194.05 Lac, Credit of Anode Slime received from tolling valuing ₹2876.49 Lac, Sale of Copper Sulphate of ₹411.31 Lac, Liberator Cathode of ₹67.31 Lac, Reverts of ₹2872.41 Lac, Granulated Slag of ₹176.19 Lac, Anode Slag of ₹59.84 Lac, Copper Ash & Residue of ₹114.53 Lac and Copper Dust of ₹16.41 Lac.

## Schedule forming part of the Accounts (Contd.)



### 35. GENERAL NOTES ON ACCOUNTS (Contd.)

#### Additional information forming part of accounts for year ended March 31, 2013

Schedule Forming Part

	Quantity		Value	
	Year ended 2012-2013	Year ended 2011-2012	Year ended 2012-2013	Year ended 2011-2012
	MT	MT	₹ in Lac	₹ in Lac
Concentrate own production	111896	137425	55738.16	55576.30
Concentrate excluding own production	-	-	-	-
Cathode	-	-	-	-
35.3 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	0.19	0.27	42.65	52.76
Indigenous	99.81	99.73	22166.40	19589.08
	100.00	100.00	22209.05	19641.84
35.4 C.I.F. value of imports				
Raw Material			-	-
Components, spare parts and stores			73.87	53.74
Capital goods			-	24.09
			73.87	77.83



## Schedule forming part of the Accounts (Contd.)

### 35.5 Expenditure in foreign currency

Travelling	21.35	10.61
Advertisement	-	-
Others	15.92	39.64
	<u>37.27</u>	<u>50.25</u>

### 35. NOTES ON ACCOUNTS

Additional information forming part of accounts for half year ended March 31, 2013 (Contd.)

	<u>Year ended</u> 2012-2013 ₹ in lac	<u>Year ended</u> 2011-2012 ₹ in lac
<b>35.6 Earning in foreign exchange</b>		
Exports of goods(FOB)	8079.16	6649.87
	<u>8079.16</u>	<u>6649.87</u>

### 35.7.Payment to Whole-time Directors

Salaries and allowances	146.95	146.69
Company's contribution to provident and other funds	8.19	8.57
Re-imbusement of medical expenses	0.72	1.52
Leave Encashment	24.14	-
Gratuity	-	-
Leave Travel Concession	-	-

#### 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.



# HINDUSTAN COPPER LIMITED

Regd. Office: Tamra Bhavan, 1 Ashutosh Chowdhury 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 46th Annual General Meeting of the Company to be held on Friday, the 20th September, 2013 at 11 am and at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2013.

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 Chowdhury 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 Chowdhury Avenue, Kolkata-700019

## ATTENDANCE SLIP

DP ID *	
NO OF SHARES HELD	

CLIENT ID *	
FOLIO NO	

I/We hereby record my /our presence at the 46th Annual General Meeting of the Company on Friday, the 20th, September, 2013 at Tamra Bhavan, 1 Ashutosh Chowdhury 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.

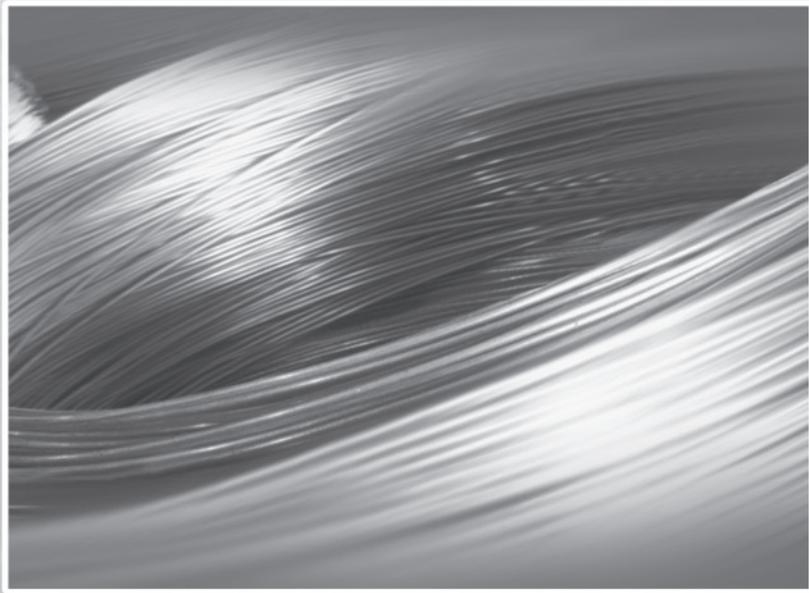
(\* Applicable for investors holding share(s) in electronic mode)







# BOOK POST



If undelivered please return to:

## **HINDUSTAN COPPER LIMITED**

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

Website: [www.hindustancopper.com](http://www.hindustancopper.com)

Contact No.: (033) 2283 2226