

**24<sup>th</sup>**  
**Annual Report**  
**2012-2013**



NISSAN COPPER LIMITED

Hello Shareholders,

It gives me pleasure to communicate with you once again. The past year has been challenging for the economy and it seems to remain same in the forthcoming years. Your Company has made every possible effort to remain active in this competitive economy. During the year, your Company on its part filed Corporate Debt Restructuring (CDR) Cell to restructure the entire debt of the Company after preparing a road map for increasing the performance in the future coming years. The Company is pleased to inform you that the CDR package has been approved on March 30, 2013 by the CDR-EG through the Master Restructuring Agreement and presently is under consideration by the Bankers of the Company. We also want to inform you that the manufacturing unit of the Company is working at a minimum capacity and the enhancement of working capital is under process. I am sure that once the restructuring is completely implemented the Company would be back in its blooming colors. I believe in the famous quote of Sir Confucius, Chinese Thinker and Social Philosopher that "Our greatest glory is not in never falling, but in rising every time we fall." The road ahead is full of challenges but the company armed with the passion and the indomitable spirit to achieve success is determined to overcome the challenges. I would like to thank all of you for being with us in this rough phase and assure you that in upcoming years the Company shall give a better performance.

Sd/-  
(Sanjay Mardia)  
Chairman

## Financial Highlights for last five years

(Rs. in Lacs)

FINANCIAL YEAR ENDED	2012-13	2011-12	2010-11	2009-10	2008-09
Sales (Net of Excise)	5,703.98	28,148.16	28,489.72	17,947.78	13,463.61
Growth in sale	-80%	-1%	59%	33%	5%
Profit before depreciation, Interest & Tax (EBDIT)	(2,095.60)	3,357.02	3,306.91	2,418.99	1,527.46
Depreciation	1,565.77	1,036.21	470.87	406.92	464.74
Interest & Financial charges	2,815.38	2,439.43	1,117.91	803.48	784.51
Profit before Tax	(6,476.75)	(118.62)	1,718.13	1,208.60	278.21
Income Tax	725.61	73.35	463.87	295.93	64.80
Profit After Tax	(7,202.36)	(191.97)	1,254.26	912.66	213.41
Equity Share Capital	6,285.59	6,285.59	6,285.59	2,897.69	1,455.59
Reserves & Surplus	9,289.83	15,759.32	14,128.77	5,383.36	4,063.36
Net Worth	15,104.90	22,044.91	20,414.36	8,593.31	5,370.58
Earning per Share (EPS)	(11.46)	(0.31)	2.32	6.01	1.47
Cash Earning per Share (CEPS)	(8.97)	1.34	3.19	8.51	4.66
Sales per Share (Rs.)	9.07	44.78	45.33	61.94	92.50
Book Value per Share (Rs.)	24.03	35.07	32.48	29.66	36.90

Your Company has consolidated its Equity share of the face value of Re. 1/- (Rupee One) each into One Equity share of the face value Rs. 10/- (Rupees Ten) each, pursuant to Shareholders approval on 16th Day of September 2011, and was effected from the Record Date i.e. 3rd October 2011. The Face value of Paid up Capital for the corresponding previous periods is also considered at Rs.10/- per share for comparison of EPS etc. During the year ended 31st March 2012, the revised Schedule VI notified under the Companies Act, 1956 has become applicable to the Company, for the preparation and presentation of its financial statements. Hence, for comparison purpose the corresponding previous figures have also been modified accordingly.

## ANNUAL REPORT 2012-13

### **Board of Directors:**

Mr. Sanjay S. Mardia	Chairman
Mr. Ratanlal S. Mardia	Managing Director
Mr. Atul S. Mardia	Executive Director
Mr. Nitin Mehta	Independent Director
(Appointed w.e.f. 29/09/2012)	
Mr. Praveen Shah	Independent Director
Mr. Shailesh Shah	Independent Director
Mr. Vijay Dutt Vyas	Independent Director
(Resigned on 27/06/2012)	

### **Chief Financial Officer**

Mr. Hiresh S. Luhar  
(Appointed on 30/05/2012)

### **Company Secretary**

Mr. Vedit Narsana  
(Resigned on 15/03/2013)

### **Compliance Officer**

Mr. Vinay Karkera  
(Appointed on 01/07/2013)

### **Auditors:**

#### **I - Statutory Auditors**

M/s. R.C. Jain & Associates  
Chartered Accountants  
Mumbai

M/s. ASP Auditing  
Chartered Accountants  
P. O. Box: 103528, Dubai- U.A.E

#### **II – Internal Auditors**

M/s. Kothawade & Laddha  
Chartered Accountants  
Mumbai

### **Bankers:**

State Bank of India  
Indian Overseas Bank  
State Bank of Patiala  
Union Bank of India

### **Registered Office:**

168/2/1, Rudana, Khanvel, Silvassa,  
Dadra Nagar Haveli-396230  
(Shifted w.e.f 25/08/2011)  
E-mail:[query@nissancopper.com](mailto:query@nissancopper.com)

### **Manufacturing Units:**

#### **Unit – I**

J/20, G. I. D. C, Umbergaon, Gujarat - 396171.

#### **Unit - II**

Survey No. 168/2/1, Rudana Village,  
Khanvel, Silvassa – 396230.

#### **Unit-III**

Survey No. 168/2/2/1, Rudana Village,  
Khanvel Silvassa-396230.

### **Corporate Office:**

32, 3<sup>rd</sup> Floor, Sakhar Bhavan, 230  
Nariman Point, Mumbai – 400 021

**Website:** [www.nissancopper.com](http://www.nissancopper.com)

### **Share Transfer Agent:**

M/s. Bigshare Services Pvt. Ltd.  
E-2 & 3, Ansa Industrial Estate,  
Sakivihar, Andheri (E),  
Mumbai – 400 072.  
Email: [ujata@bigshareonline.com](mailto:ujata@bigshareonline.com)  
Website: [www.bigshareonline.com](http://www.bigshareonline.com)

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**NISSAN COPPER LIMITED**

## **NOTICE OF THE ANNUAL GENERAL MEETING**

Notice is hereby given that the 24<sup>th</sup> **Annual General Meeting** of the members of **Nissan Copper Limited** will be held on **Saturday, September 28, 2013** at **11.00 a.m.** at **Golden Pond Resort, Survey no. 62/1/P, Village Chauda, Khanvel, U.T Dadra Nagar Havelli – 396 230** to transact the following business:

### **ORDINARY BUSINESS:**

1. To receive, consider, approve and adopt the Audited Balance Sheet as at March 31, 2013 and Profit and Loss Account (Statement of Profit and Loss) for the year ended as on that date and the Reports of the Board of Directors' along with the Auditors' thereon.
2. To appoint a Director in place of Mr. Nitin Mehta, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint M/s. R. C. Jain & Associates, having firm registration no. 103952W, Chartered Accountants as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

**By order of the Board,**

**Sd/-**

**Ratanlal Mardia  
Managing Director**

**Place:** Mumbai

**Date:** September 2, 2013

### **Registered Office:**

Nissan Copper Ltd.  
168/2/1, Rudana,  
Khanvel, Silvassa,  
Dadra Nagar Havelli – 396 230

**NOTES:**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY, WHO NEED NOT BE A MEMBER, TO ATTEND AND VOTE ON BEHALF OF HIMSELF/HERSELF. THE INSTRUMENTS APPOINTING THE PROXY SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 (FORTY-EIGHT) HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
2. Members who hold shares in dematerialized form are requested to write their Client ID and DP ID Nos. and those who hold shares in Physical form are requested to write their Folio Number in the attendance slip while attending the Meeting for easy identification of attendance at the Meeting.
3. Pursuant to Section 154 of the Companies Act, 1956 the Register of Members and Share Transfer Books of the Company will remain closed from Monday, the September 23, 2013 to Friday, September 27, 2013, both days inclusive.
4. Members are requested to:
  - i) Write to the Company at least 7 days before the date of the meeting, in case they desire any information as regards the Audited Accounts for the financial year ended March 31, 2013, so as to enable the Company to keep the information ready.
  - ii) Bring their copy of the Annual Report and the Attendance Slip at the Annual General Meeting.
  - iii) Intimate to the Registrar & Transfer Agent (R & T.A.) of the Company immediately, about any change in their addresses. Where the shares are held in electronic form such change is to be informed to the Depository Participant (DP) and not to the Company / R & T.A.
  - iv) Quote Registered Folio Number or DP ID/ Client ID in all the correspondence.
  - v) Approach the R & T.A. of the Company for consolidation of folios.
  - vi) Furnish bank account details to the R & T.A./ Depository Participant to prevent fraudulent encashment of dividend warrants.
  - vii) Avail of Nomination facility by filling in and forwarding the nomination form to the R & T.A., if not already done.
  - viii) Send all share transfer lodgments (physical mode) / correspondence to the R & T.A. of the Company - M/s. Bigshare Services Pvt. Ltd., E-2, Ansa Industrial Estate, Sakivihar Road, Andheri (E), Mumbai – 400 072 up to the date of book closure.
5. Pursuant to the provisions of Section 205A (5) of the Companies Act, 1956, dividends which remain unclaimed in the unpaid dividend account for a period of seven years from the date of transfer of the same, will be transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government, pursuant to Section 205C of the Companies Act, 1956. Information in respect of such unclaimed dividend when due for transfer to the said Fund is given below:

Sr. no.	Financial Year	Date of Declaration	Date of transfer to Unpaid Dividend Account	Due Date for transfer to Investor Protection and Education Fund
1.	2006-07	20/09/2007	22/10/2007	21/10/2014
2.	2007-08	08/09/2008	09/10/2008	08/10/2015
3.	2008-09	20/07/2009	21/08/2009	20/08/2016
4.	2009-10	08/04/2010	10/05/2010	09/05/2017

According to the provisions of the Act, shareholders are requested to note that the amount of dividend for the subsequent years remaining unpaid or unclaimed for a period of seven years from the date of transfer to Unpaid Dividend Account of the Company shall be transferred to the Investor Education and Protection Fund (IEPF) set up by the Government of India and no payments shall be made in respect of any such claims by the IEPF.

Also, it may be noted that the unclaimed dividend in respect of the financial year 2006-07 is due for transfer to the IEPF on October 21, 2014. Members who have not yet encashed their dividend warrant(s) for the financial year ended March 31, 2007 onwards, are requested to make their claims to the Company accordingly, without any delay.

Further to bring to the notice of shareholders, the Ministry of Corporate Affairs have also issued a notification no. G.S.R 352(E), dated 10/05/2012 named as Investor Education and Protection Fund (Uploading of Information regarding unpaid and unclaimed amounts lying with Companies) Rule 2012, according to which the Company has to file the details of the said amount in e-Form



## NISSAN COPPER LIMITED

SINV, within 90 days from the Annual General Meeting each year until seven years. The Company is duly complying with the said requirements.

### 6. Appointment/Re-appointment of Directors:

Details of the Directors seeking appointment/re-appointment in the forthcoming Annual General Meeting (in pursuance of Clause 49 (IV) (G) of the Listing Agreement)

<b>Name of the Director</b>	Mr. Nitin Mehta
<b>Date of Birth</b>	September 24, 1963
<b>Date of Appointment</b>	September 29, 2012
<b>Qualifications</b>	Textile Engineering
<b>Profile</b>	Mr. Mehta has done his graduation in Textile Engineering and holds Diploma in Manmade Textile Technology from Mumbai University. He got associated with Mahalaxmi Textile Industries in the year 1988 as partner and has experience of 22 years.
<b>Name of the Companies in which he holds Directorship</b>	NIL
<b>Memberships &amp; Chairmanships of committees of the Board in other Companies</b>	NIL
<b>Shareholdings in the Company</b>	NIL
<b>Relationship between Directors inter-se</b>	N.A

7. Members/ Proxies are requested to bring the Attendance Slip duly filled up for attending the Meeting.
8. The Ministry of Corporate Affairs has taken a **"Green Initiative in the Corporate Governance"** by allowing paperless compliances by the Companies after considering Sections 2, 4, 5 and 81 of the Information Technology Act, 2000 for legal validity of compliances under Companies Act through electronic mode. Under the Information Technology Act, 2000, service of documents in electronic mode is permitted. Also the acceptable mode of service of documents under 'Certificate of Posting' has recently been discontinued by the Department of Posts.

The Ministry of Corporate Affairs has further clarified that a Company would have complied Section 53 of the Companies Act, 1956, if the service of the document has been made through electronic mode provided that the Company has obtained **e-mail addresses of its members** for sending the notice/ documents through e-mail by giving an advance opportunity to every shareholder to register their e-mail address and changes therein from time to time with the Company. In case where any member has not registered his e-mail address with the Company, the service of document, etc. will be affected by other modes of service as provided under Section 53 of the Companies Act, 1956. (Reference: Ministry of Corporate Affairs Circular no. 17/2011, dated April 21, 2011.)

Keeping in view of the theme underlying the circular issued by MCA, the Company had sent letters to Member for registering their e-mail ids with RTA agent of the Company, if any members has not yet registered his or her e-mail id, we request you to register the same, enabling the Company to send documents like notice calling for Annual General Meeting, Audited Accounts, Directors' Report, Auditors' Report, etc. for the years to come by, on your registered e-mail addresses. In case you desire to receive the documents mentioned above in physical form or change or register e-mail address, you are requested to send an e-mail to [query@nissancopper.com](mailto:query@nissancopper.com).

9. Non-Resident Indian Members are requested to inform the Company/R & T.A. the following immediately:
  - i) Change in the residential status on return to India for permanent settlement.
  - ii) The particulars of NRE Bank Account maintained in India with complete name and address of the Bank, if not furnished earlier.
10. Corporate Members are requested to forward a certified copy of the Board Resolution authorizing their representatives to attend and vote at the Annual General Meeting.

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11. The Company's equity shares are listed on BSE Limited & National Stock Exchange Limited & its GDR are listed on Luxembourg Stock Exchange. All the listing fees, till date, have been paid.
12. All the documents referred to in the Notice are open for inspection at the Registered Office of the Company between 10:30 a.m. to 12:30 p.m. on all working days except Saturdays, Sundays and Public Holidays until the date of the Annual General Meeting or any adjournment(s) thereof.

**By order of the Board,**

**Sd/-**

**Ratanlal Mardia  
Managing Director**

**Place:** Mumbai

**Date:** September 2, 2013

**Registered Office:**

Nissan Copper Ltd.  
168/2/1, Rudana,  
Khanvel, Silvassa,  
Dadra Nagar Haveli – 396 230



**NISSAN COPPER LIMITED**

## DIRECTORS' REPORT

**To,  
The Members,  
NISSAN COPPER LIMITED**

Your Directors present the 24<sup>th</sup> **Annual Report** and the Audited statement of Accounts of the Company for the financial year ended March 31, 2013.

### FINANCIAL RESULTS:

The Financial performance of your Company for the year under review is summarized below:

PARTICULARS	(Rs. in Lacs)			
	NISSAN COPPER STANDALONE		NISSAN COPPER GROUP	
	2012-13	2011-12	2012-13	2011-12
Sales (Net of Excise)	5703.98	28148.16	5703.98	28956.00
Profit before Depreciation, Finance Charges & Taxation	(2095.60)	3357.02	(2420.32)	3113.47
<b>Less:</b> Depreciation	1565.77	1036.21	1565.77	1036.21
<b>Less:</b> Finance Charges	2815.38	2439.43	2815.38	2439.43
Profit/(Loss) before Taxation	(6476.75)	(118.62)	(6801.47)	(362.18)
Less: Provision for Taxation	725.61	73.35	725.61	73.35
Net Profit/(Loss) after taxation	(7202.36)	(191.97)	(7527.08)	(435.53)
<b>Add:</b> Surplus Brought Forward from previous years	1500.64	1692.62	1369.14	1804.67
Surplus available for appropriation	(5701.72)	1500.64	(6157.93)	1369.14
<b>Less:</b> Transfer to General Reserves	-	-	-	-
<b>Less:</b> Proposed Dividend including Distribution Tax	-	-	-	-
Balance carried to Balance Sheet	(5701.72)	1500.64	(6157.93)	1369.14

### FINANCIAL PERFORMANCE:

During the year under review, the gross turnover of your Company has decreased from Rs.28,148.16 Lacs to Rs. 5703.98 Lacs. In the current year, the Company has witnessed a net loss after tax of Rs.7,202.36 Lacs. The financial performance of the Company during the financial year 2012-13 was extremely stressed due to lower capacity utilization in the absence of adequate working capital. Hence, there is a decrease in its variance. The Management on its part has filed an application to CDR Cell, it shall increase not only its performance at the present level but also will help in the coming years. The CDR Cell, has positively considered the request of the Company and the financial restructuring of the Company is presently under consideration by the Bankers of the Company.

Further, the manufacturing unit of the Company is working at a minimum capacity.

### OPERATIONAL PERFORMANCE:

The operational performance during the financial year was as follows:

PRODUCT	2012-13	2011-12	Variance
	MT	MT	(%)
Copper Pipes/ tubes	968.25	4202.970	(76.96)
Copper Mother tubes/ Flats/ Rod/ Wire Bars/Sections	25.35	261.618	(90.31)
Copper ingots/ Billet Bars	27.00	461.048	(94.14)
Other Product	100.14	1615.614	(93.80)

Copper Mother Tubes/ Flats/Sections are semi-finished goods which are used further for the production of final product i.e. Copper Pipes. The operational performance of the Company during the financial year 2012-13 was extremely stressed due to lower capacity utilization in the absence of adequate working capital. Hence, there is a decrease in its variance. The Management on its part has filed an application to CDR Cell, it shall increase not only its performance at the present level but also will help in the future coming years.



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The CDR Cell has positively considered the request of the Company and the financial restructuring of the Company is presently under consideration by the Bankers of the Company.

Further, the manufacturing unit of the Company is working at a minimum capacity.

### **TRANSFER TO GENERAL RESERVE:**

During the financial year 2012-13, since the Company has incurred loss, no amount has been transferred to the General Reserve.

### **DIVIDEND:**

The Company has suffered loss during the year, hence the Board of Directors regret to declare any dividend for the current year.

### **SUBSIDIARY COMPANY:**

The Company has a Wholly Owned subsidiary in the name of “**NC Middle East FZE**” in U.A.E. (Ajman Free Zone) for the purpose of general trading, Import & Export of Copper & Copper Products. The accounts are audited by M/s ASP Auditing, Chartered Accountants Dubai-U.A.E. The Ministry of Corporate Affairs, Government of India, vide General Circular No. 2 and 3 dated February 8, 2011 and February 21, 2011 respectively has granted a general exemption from compliance with Section 212 of the Companies Act, 1956 i.e. attaching the Balance Sheet and Profit & Loss Account of the Subsidiary Company, subject to fulfillment of conditions stipulated in the circular. The Company has satisfied the conditions stipulated in the circular and hence is entitled to the exemption. Necessary information relating to the subsidiaries has been included in the Consolidated Financial Statements. The Company will make available the Annual Accounts of the Subsidiary Company to any member of the Company who may be interested in obtaining the same. The Annual Accounts of the Subsidiary Company will also be kept open for inspection at the Registered Office of the Company between 10.30 a.m. to 12.30 p.m. on all working days except Saturdays, Sundays and Public Holidays.

### **FIXED DEPOSITS:**

The Company has not accepted any deposit within the purview of section 58A of the Companies Act, 1956 during the year under review.

### **CAPITAL DEBT RESTRUCTURING (CDR):**

Your Company had made a reference to the Corporate Debt Restructuring (CDR) Cell constituted by Reserve Bank of India for Restructuring of its financial debt. The CDR Cell positively considered the request of the Company and has approved the debt restructuring proposal given by Company. For the purpose of implementation of the approval package as also to comply with the post-implementation requirements, the lead consortium bankers of the Company has been appointed as Monitoring Institution (MI) by the CDR Cell. To facilitate the process of monitoring of progress of sanction and implementation of the approved package by the respective lenders and to revive the performance of the Company/restructuring package on a continuous basis, a Monitoring Committee (MC), comprising of representatives of the lead bankers, has been constituted.

### **FUTURE PROSPECTS:**

With the restructuring of its debt and implementation of the revival package approval by the CDR Cell your Company believes that it will gradually be able to revive its operations towards profitability. Your Company has been extremely fortunate to have full support of its employees during the financial stressed period and all efforts are being made to garner support from the customers of the Company as well when the operations of the Company are revived. Although, huge efforts would be required toward regaining the confidence of customers, your Company is hopeful and confident that the same would be done over a period of time based on continued and sustained quality supply of material coupled with prompt and efficient customer service.

### **DIRECTORS’:**

The Board of Directors of a Company provides leadership and strategic guidance, objective judgment, independent of management to the Company and exercise control over the Company, while remaining at all times accountable to the shareholders.

On June 27, 2012, Mr. Vijay Dutt Vyas, Independent Director resigned from Directorship of the Company.

In accordance with the provision of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Nitin Mehta, retire by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment.

### **CORPORATE GOVERNANCE:**

Your Company is committed to maintain the highest standard of Corporate Governance and adhere to the requirements set out by SEBI. The Report on Corporate Governance as stipulated under Clause 49 of the Listing Agreement, including the shareholder's information and auditors' certificate on its compliance, forms a part of this Annual Report.



## **NISSAN COPPER LIMITED**

### **CONSOLIDATED FINANCIAL STATEMENTS:**

The Consolidated Financial Statements for the year ended March 31, 2013 have been prepared in accordance with the principles and procedures for the preparation and presentation of consolidated accounts as set out in the Accounting Standard (AS-21). The aforesaid statements, audited by the Statutory Auditors of the Company have been filed with the stock exchanges as on May 30, 2013 and are also attached to the Annual Report. The Consolidated Financial Statements presented by the Company include the financial results of its Subsidiary Company. Also the Cash Flow Statement is provided in the Annual Report along with the Balance Sheet and Profit and Loss Account.

### **DEPOSITORIES:**

The Company is registered with both the Depositories viz, the National Securities Depository Limited and Central Depository (Services) limited. The overseas depository of the Company is 'The Bank of New York Mellon Corporation' for GDR. The shareholders can take advantage of holding their scripts in dematerialized mode.

### **INSURANCE:**

All the assets of the Company wherever necessary and to the extent required have been insured with the following Insurance Companies:

1. United India Insurance Co. Ltd.
2. L & T General Insurance Co. Ltd.
3. The New India Assurance Co. Ltd.

### **DIRECTORS' RESPONSIBILITY STATEMENT:**

In Compliance to the requirements of Section 217(2AA) of the Companies Act 1956, your Directors confirm that:

- a) The Company has followed the applicable accounting standards in the preparation of the Annual Accounts and there had been no material departure except accounts drawn as per revised Schedule VI as per the Companies Act, 1956.
- b) Directors had selected the accounting policies and applied them consistently and made judgments and estimates that 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 the financial year and of the profit of the Company for the year under review.
- c) The Directors have taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) The Directors have prepared the Annual Accounts on a going concern basis.

### **AUDITORS AND AUDITORS' REPORT:**

#### **STATUTORY AUDITORS:**

The present Statutory Auditors of the Company M/s. R. C. Jain & Associates, Chartered Accountants, retire at the conclusion of ensuing Annual General Meeting. The Company has received a letter as required under section 224(1B) of the Companies Act, 1956 from M/s. R.C. Jain & Associates, Chartered Accountants, confirming their eligibility and willingness to act as Statutory Auditors, if re-appointed. The members are requested to appoint the Statutory Auditors from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting.

Your Directors have to state that with respect to contingent liability mentioned in the Auditors' Report, the Auditors remark is self explanatory and is further explained in detail in note no. 36, 37, 38, 39, 40, 41 & 42 of Notes to Accounts. Further with reference to point no. 2e(a) of Auditors Report, the Company had sent confirmation letter to all creditors and debtors to confirm their balances. However, in the absence of any reply from some of the parties till the finalization of accounts, their balances outstanding as on March 31, 2013 in the books of the Company has been considered.

The other observation in the Auditors' Report are dealt in the notes forming part of the accounts at appropriate places and the same being self explanatory, no further comments are considered necessary.

#### **COST AUDITOR:**

Pursuant to CAB Order dated January 24, 2012, it is mandatory for the Company to appoint a Cost Auditor for the financial year 2013-

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14 who shall issue Cost Audit Report. In order to comply with the said requirement, the Company has appointed Mr. Sandeep Kumar Poddar, Poddar & Company, Practicing Cost Accountant, bearing Membership no. 29474 in their meeting held on May 30, 2013 to undertake Cost Audit for the financial year ended March 31, 2014.

### **INTERNAL AUDITORS:**

The Board of Directors of the Company had re-appointed M/s. Kothawade & Laddha, Chartered Accountants as Internal Auditor of the Company for the year 2013-14 to strengthen the internal control system of the Company.

During the year under review, the management has duly considered and has taken appropriate action on the recommendations made by the Internal Auditors. The Audit Committee members reviewed and discussed in detail the scope of audit and audit schedule. Your Company shall be immensely benefited from their appointment.

### **MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT:**

Management's discussion and analysis report for the year under review, as stipulated in Clause 49 of the Listing Agreement with the Stock Exchanges in India, is presented in separate section forming part of the Annual Report.

### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUTGO:**

The particulars pursuant to requirements under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988 is given in the annexure of the report.

### **CORPORATE SOCIAL RESPONSIBILITIES (CSR):**

As a concerned Corporate Citizen, your Company believes that CSR initiatives are a way to pay back societal debt and obligations. Your Company does not see CSR as a charity; not even as a responsibility, but as an opportunity to change and your Company's activities are determined by the concept of Changing Lives. Your Company is constantly endeavored to improve the quality of life of the communities and to bridge the gaps in society and help transform communities around the workplace.

### **PARTICULARS OF EMPLOYEES:**

None of the employees of the Company fall within the purview of the provisions of section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 and Companies (Particulars of Employees) Amendment Rules, 2011.

### **APPRECIATION:**

The Board of Directors expresses their deep gratitude for the co-operation and support extended to your Company by its customers, suppliers, Bankers and various Government agencies. Your Directors also place on record the commitment and involvement of the employees at all levels and looks forward to their continued co-operation.

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

**Sd/-**

**Ratanlal Mardia  
Managing Director**

**Place:** Mumbai

**Date:** September 2, 2013



**NISSAN COPPER LIMITED**

## ANNEXURE TO THE DIRECTORS' REPORT

Disclosure under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988

### A. CONSERVATION OF ENERGY:

#### (a) Energy conservation measures taken by the Company:

- (i) The Company has been taking continuous steps to conserve the energy and minimize energy cost at all levels as per the past experience.
- (ii) Monitoring the overall energy consumption, by reducing losses and improving efficiency.
- (iii) Maximum demand of electricity is being reduced by evenly distributing the loads throughout the day and increasing efficiency of plants and machineries.

#### (b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy:

The Company takes necessary steps for investments in energy saving devices from time to time.

#### (c) Impact of measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of goods:

- (i) Per unit Energy consumption has increased from Rs. 8.18 to Rs. 46.64 due to increase in the prices of LPG gas and Diesel and the plants were operated at very minimum capacity.

#### (d) Total energy consumption and energy consumption per unit as per Form A:

##### FORM – A

Particulars	Current Year	Previous Year
<b>1. Electricity</b>		
<b>(a) Purchased</b>		
Units (KWH)	1,280,683.00	5,187,109
Total Amount (Rs.)	10,151,270.00	24,250,833
Rate per unit (Rs.)	7.93	4.68
<b>(b) Own Generation (D.G. Set)</b>		
Units (KWH)	9,538.90	18,445
Total Amount (Rs.)	76,000.00	127,258
Units per ltr. Of Diesel	6.26	6.26
Rate per unit (Rs.)	7.97	6.56
<b>2. Gas</b>		
Kilogram	15,865.00	65,455
Total Amount (Rs.)	1,089,335.00	3,456,631
Rate per Kilogram (Rs.)	68.66	52.81
<b>3. Energy consumption cost per unit of production</b>	<b>46.64</b>	<b>8.18</b>

The Company manufactures a wide range of products and the consumption of energy will vary significantly depending upon the actual product mix for the period.

### B. TECHNOLOGY ABSORPTION:

Disclosure of particulars with respect to Technology Absorption as per Form B

**FORM – B****1. Research and Development (R & D):****(i) Specific area in which R & D carried out by the Company:**

The Company is developing and introducing various new sizes, designs and pattern of copper pipe under its continuous R & D programs as per changing market needs.

**(ii) Benefit derived as a result of the above R & D:**

- (a) The quality of products of the Company has improved and showed marked improvement in its desired properties.
- (b) Burning loss during melting of copper scrap reduced substantially.
- (c) The R & D activities resulted into development of new designs and products and also acceptability of the products in the market.

**(iii) Future plan of Action:**

- (a) Continuation of the measures already initiated by the Company.
- (b) Introduction of more process control and detailed quality control as well as cost reduction techniques.
- (c) Development of new value added products.
- (d) Technology up gradation and modernization.

**(iv) Expenditure on R & D:**

The Company does not account for R & D expenses separately but treat them as revenue expenses and accounts in respective head of revenue accounts. There was no capital expenditure incurred on imported technology during the year.

**2. Efforts in brief made towards technology absorption, adaptation and innovation:**

- (i) The Company has been developing in house modification/improvement in process technology in its various manufacturing sections, which when and if found suitable have been integrated in the manufacturing process.
- (ii) These have been resulted in improving efficiency, quality & design of the Company's products.

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO:**

The information of foreign exchange earning & outgo is as follows:

		(Rs. In Lacs)
Sr. No.	Particulars	2012-2013
(A)	C.I.F. Value of Imports	
	i. Raw Materials	54.83
	ii. Stores & Spare Parts	-
	iii. Capital Goods	-
(B)	Expenditure in Foreign Currency (accrual basis)	
	i. Salary Expense	-
	ii. Preliminary Expenditure (ACR Plant)	-
	iii. Packing Material	-
	iv. Remittance to NC Middle East FZE (Loans & Advance)	-
(C)	Earnings in Foreign Currency (Accrual Basis)	
	i. Interest receivable on Loan to NC Middle East FZE	309.32
	ii. Export at FOB Value	-

The efforts are being made to enhance export & Foreign Exchange Earnings.

For and on behalf of the Board,

Sd/-

Ratanlal Mardia  
Managing Director

Place: Mumbai  
Date: September 2, 2013



**NISSAN COPPER LIMITED**

## **MANAGEMENT DISCUSSION & ANALYSIS**

### **1. INDUSTRY STRUCTURE & DEVELOPMENTS:**

Copper is one of the most widely used industrial metals. It is best conductor of electricity with high electrical and thermal conductivity, high strength, malleability, corrosion resistance, precision castability. Because of its high ability to form alloys with other metals, it is used in wide range of industries including engineering, electrical, etc.

Over the years the use of copper has witnessed growth in electrical, transport, Consumer durables, engineering, construction, telecommunication etc. sectors. In the present survey the demand has been projected up to 2024-25 in the above sectors keeping in view the economic growth in future. The domestic demand works out to be 2.3 million tonnes. To meet the demand in future the copper industry has already geared up. The supply projection of 2.8 million tonnes by 2024-25 will satisfy the domestic demand in addition to exports demand.

#### **i. Refrigeration & Air Conditioning:**

The refrigeration and air conditioners are becoming necessity in the average household. The industrial uses and modern offices require large size of AC plants to keep the working environment cool. An average Refrigerator consumes about 2 Kg of copper and average size of air conditioner consumes about 6.8 kgs of copper per unit. The copper is used in the form of copper tubes in refrigerators as well as in T.V. tubes and electrical wires.

#### **ii. Heat Exchangers and Condensers:**

Copper being tough, ductile and malleable makes it extremely suitable for tube forming. Being non magnetic copper is included amongst the various alternative materials which are suitable for use in condensers and heat exchangers in all types of environments including marine environment.

#### **iii. Valves, Pumps, Pipes and Vessels:**

Copper are widely used for industrial process plants which are exposed to non- oxidising acids. Valves and pumps controlling the flow of liquids and gases in industrial processes are often made of Copper or copper alloys. In addition to corrosion resistance, copper also provide good physical strength.

#### **iv. Building and Construction:**

Copper is the material of choice for plumbing, taps, valves and fittings for their aesthetic appeals. Large quantities of copper used in the industrialised countries in the construction of buildings are consumed in the form of copper tubing, taps. Copper tube systems are used for domestic water supply systems both hot and cold and for central heating systems. Copper tube may be used in buildings for piping gas between the intake and appliances in which gas is used as fuel. Copper tubes also help protect water systems from potentially lethal bacteria.

### **2. OPPORTUNITIES & THREATS:**

#### **Opportunities:**

- Growth in HVAC Industry with the new entrants starting the manufacturing in India.
- Government has already started changing the method of delivery of LPG from Cylinders to Piping, thereby creating continuous demand for copper tubes.
- With the increasing activities in infrastructure sector the demand for Copper has witnessed growth in demand for copper tubes for the purpose of Air Conditioning and Refrigeration.
- Lesser Production Cost thus more competitive.
- Better Geography and product mix.
- Since the trade barriers and policies of countries like USA and Europe have provided a liberal hand to India, the demand for our products in those countries has accelerated. Apart from this we also foresee good business relations from GCC countries especially Qatar and Bahrain, where the growth in infrastructure is tremendously shooting upwards.

#### **Threats:**

- Substitutes: With the relatively high volatility of copper prices (raw material) which are controlled by the London Metal Exchange (LME) over the last several years, increased attention has been paid to the issue of substitution. Some of the substitutes are Aluminum, Zinc, plastic, stainless steel, optical fiber, etc.

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- **Competitive Rivalry:** Competitive pricing strategy adopted by competitors due to trade economies may pose threat on market pricing leading to a reduced return as compared to expectations.
- **New Entrants:** Stiff competition is faced from Chinese producers as well as producers within the country which include the SSI (Small Scale Industry) and unorganized sector players.
- Due to decreasing value of Rupees in world market, rise in interest rates, inflation and slow down in global economies may lead to drop in global commodities demand.
- Volatile market leading to volatile earnings and commodity price.

### **Challenges:**

The challenges include marketing of the new product manufactured by the Company i.e. ACR Copper tubes along with current products manufactured by the Company. The other major challenge is that the Company has to develop strategies related to marketing, production, sales viz. with the current financial position of the Company and keeping in mind the rates of copper in world market.

### **3. PERFORMANCE:**

During 2012-13, the Company sold 1120.73 tonnes of Copper & other related Products as against 6541.25 tonnes in 2011-12.

### **4. FACTORS INFLUENCING COPPER MARKET AND PRICES:**

- Copper prices in India are fixed on the basis of the rates that rule on LME and Rupee & US Dollar exchange rate. The fluctuation in US Dollar is a major issue.
- Economic growth of the major consuming countries such as China, USA, Japan, Germany, India, etc.
- Growth and development in the Infrastructure, Power Sector, Real-estate, Telecom and Electrical Industry.
- Natural calamities such as earthquakes and floods affect the production in mines and transportation thereby affecting the supply.
- Quality of ores.
- Heavy Tax burden.

### **5. FUTURE OUTLOOK:**

The Indian Economy is unstable but showing signs of revival in near future. The increase in building and construction industry and increase in demand of luxury items and also with increase in demand of electric consumption both in domestic as well as industry levels. The company with availability of funds through CDR will opt for National as well as International arenas.

### **6. RISKS & CONCERNS:**

In the current scenario the major concern being the unrest in the global market which has boosted crude oil prices and threatens to derail global economic recovery, which in turn, could depress copper demand.

Inflation, demand and supply dynamics, impact of debt crisis in Euro zone on copper prices are some of the risks involved. The fundamental outlook for copper is given in this report on the basis of prevailing market conditions. In case of any ambiguity, the situation for copper may change. Nissan has insured its assets and operations against a wide range of risks, as part of its overall risk management strategies. However, the Company's operations have historically shown significant exposure to the resilience to the fluctuations of economic and industry cycles, with demand for most of its key products continue to grow at healthy rates even at times of an overall economic slowdown.

### **7. INTERNAL CONTROL SYSTEMS & THEIR ADEQUACY:**

Your Company has a sound internal control system commensurate with its size. Internal Audit reports are discussed by the professionals & member of Audit Committee & suitable corrective actions as suggested are adopted by the management. We have always believed that transparency, systems and controls are important factors in the success and growth of any organization.

### **8. DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE:**

Management Discussion and analysis of the Company's operations and financial consolidation together with discussion on financial performance with respect to operational performance should be read with conjunction with the financial statements as given below:



## NISSAN COPPER LIMITED

### FINANCIAL PERFORMANCE:

(Rs. In Lacs)

Particulars	2012-13	2011-12
Sales (Net of Excise Duty)	5703.98	28,148.16
Growth in sale	-80%	-1%
Profit before depreciation, Interest & Tax (EBDIT)	(2,095.60)	3,357.02
Depreciation	1,565.77	1,036.21
Interest & Financial charges	2,815.38	2,439.43
Profit/(Loss) before Tax	(6,476.75)	(118.62)
Income Tax	725.61	73.35
Net Profit/(loss) After Tax	(7,202.36)	(191.97)
Equity Share Capital	6,285.59	6,285.59
Reserves & Surplus	9,289.83	15,759.32
Net Worth	15,104.90	22,044.91
Earnings per Share (EPS)	(11.46)	(0.31)
Cash Earnings per Share (CEPS)	(8.97)	1.34
Sales per Share (Rs.)	9.07	44.78
Book Value per Share (Rs.)	24.03	35.07

### 9. MATERIAL DEVELOPMENT ON HUMAN RESOURCES / INDUSTRIAL RELATIONS:

The biggest strength of the Company has always been its people. Only with their participation we have managed to achieve a healthy work culture, transparency in working, fair business practice and a passion for efficiency. The Company follows a unique, home grown philosophy of allowing people to set their own targets and give them the freedom to achieve: 'I can'. This philosophy has spread across all our employees and has been a constant source of motivation for our people. Further, to enhance their skills and enrich their experience, the Company provides continuous training. This includes workshops, courses, seminars and visit to the Company's plants. Of late, we have also started in-house conferences for various disciplines. Employees from all our offices are invited to participate. It is a useful forum for sharing experiences, ideas, innovations and developmental work undertaken in their respective work places. From the beginning, we have followed a progressive policy of taking keen interest in the well-being and progress of our people. All of this, we believe, has nurtured a strong sense of belonging among our people.

### 10. CAUTIONARY STATEMENT:

Statement in the Management discussion & analysis describing the Company's objectives, projections, estimates & exceptions may be "forward looking statements" within the meaning of applicable securities laws & regulations. Actual results could differ materially from those expressed or implied. Important factors that could make difference to the Company's operations include economic conditions affecting demand/ supply and price conditions in the domestic & overseas markets in which the Company operates & changes in the Government regulations, tax laws & other statutes & other incidental factors.

For and on behalf of the Board,

Sd/-

Ratanlal Mardia  
Managing Director

Place: Mumbai

Date: September 2, 2013



## CORPORATE GOVERNANCE REPORT

Corporate Governance is a set of systems and practices to ensure that the affairs of the Company are being managed in a way which ensures accountability, transparency and fairness in all its transactions in the widest sense and meet its stakeholder's aspirations and societal expectations. Nissan Copper Limited believes in adopting the best practices that are followed in the area of Corporate Governance across various geographies and continues to focus on good Corporate Governance, in line with local and global standards. Its primary objective is to achieve business excellence and to create and enhance value for its shareholders, customers, employees and other stakeholders.

Nissan Copper Limited recognizes that good governance is a continuing exercise and reiterates its commitment to pursue highest standards of Corporate Governance in the overall interest of all its stakeholders. The Company not only adheres to the prescribed corporate practices as per Clause 49 but is constantly striving to adopt emerging best practices worldwide. It is our endeavor to achieve higher standards and provide oversight and guidance to management in strategy implementation and risk management and fulfillment of stated goals and objectives.

### Company's philosophy on Corporate Governance

Corporate Governance is an integral part of the philosophy of Nissan Copper Limited in its pursuit of excellence, growth and value creation. The Company emphasizes the need for full transparency, disclosure and accountability in all its transactions, in order to protect the interests of its stakeholders. The Company always strives to achieve optimum performance at all levels by adhering to corporate governance practices. Your Company's Philosophy is based on the following principles:

- Critically evaluate strategic direction of the Company, Management policies and their effectiveness.
- Management is the trustee of the Shareholders Capital and has the duty to maximize Shareholders Value.
- Have a single & transparent corporate structure driven solely by business needs.
- Be transparent with high degree of disclosure and adequate control system.
- Integrity & ethics in all our dealings.
- Make a clear distinction between personnel conveniences & corporate resources.
- Monitoring of executive performance by the Board.
- Timely disclosure of financial and management information.

### (A) MANDATORY REQUIREMENTS:

#### BOARD OF DIRECTORS:

#### Composition of Board:

The total strength of the Board at present is 6 Directors; consisting of 3 Executive Directors, including the Chairman and 3 Non-Executive & Independent Directors. The composition of the Board is in conformity with Clause 49 of the Listing Agreement as under:

Sr. No.	Name of the Director	Category	Directorship* and Chairmanship/ Membership** of Board Committees in other public Limited Indian Companies		
			Director	Committee Member	Committee Chairman
1	Mr. Sanjay S. Mardia	Promoter & Executive Chairman	Nil	Nil	Nil
2	Mr. Ratanlal S. Mardia	Promoter & Managing Director	Nil	Nil	Nil
3	Mr. Atul S. Mardia	Promoter & Whole-time Director designated as Executive Director	Nil	Nil	Nil
4	Mr. Shailesh Shah	Independent and Non- Executive Director	Nil	Nil	Nil
5	Mr. Praveen Kumar H. Shah	Independent and Non- Executive Director	Nil	Nil	Nil
6	Mr. Nitin Mehta ***	Independent and Non- Executive Director	Nil	Nil	Nil
7	Mr. Vijay Dutt Vyas@	Independent and Non- Executive Director	Nil	Nil	Nil

(\*) Private Limited Companies, Foreign Companies, Companies under Section 25 of the Companies Act 1956 and Alternate Directorship are excluded for the above purpose



## NISSAN COPPER LIMITED

(\*\*) This includes the Chairmanship/ Membership of Audit Committee, Shareholder/Investor Grievance Committee and Remuneration Committee of all public Limited Companies

(\*\*\*) Mr. Nitin Mehta was appointed as a Director w.e.f. September 29, 2012.

(@) Mr. Vijay Dutt Vyas had resigned from his post w.e.f. June 27, 2012.

### Attendance of the Directors at the Board Meeting and last Annual General Meeting:

In the year 2012-2013, 12 (Twelve) Meetings of the Board were held on 03/05/2012, 30/05/2012, 25/06/2012, 26/07/2012, 14/08/2012, 03/09/2012, 06/09/2012, 12/11/2012, 20/12/2012, 09/02/2013, 01/03/2013 & 30/03/2013. The intervening period between two Board meetings was well within the maximum time gap of four months prescribed in Clause 49.

The details of attendance of each Director at the Board Meetings and last Annual General Meeting are as under:

Name of the Director	No. of Board Meetings attended	Attendance in last AGM held on September 29, 2012
Mr. Sanjay S. Mardia	12	Yes
Mr. Ratanlal S. Mardia	9	Yes
Mr. Atul S. Mardia	12	Yes
Mr. Praveen Kumar Shah	12	Yes
Mr. Shailesh H. Shah	11	Yes
Mr. Nitin Mehta*	5	Yes
Mr. Vijay Dutt Vyas@	0	N.A

(\*) Mr. Nitin Mehta was appointed as a Director w.e.f. September 29, 2012.

(@) Mr. Vijay Dutt Vyas had resigned from his post w.e.f. June 27, 2012.

### COMMITTEES OF BOARD:

#### 1. Audit Committee:

The Audit Committee of the Company is constituted in accordance with the provisions of Clause 49 of Listing Agreement with the Stock Exchange(s) and Section 292A of the Companies Act, 1956.

The Audit Committee assists the Board in its responsibility for overseeing the quality and integrity of the accounting, auditing and reporting practices of the Company and its compliance with the legal and regulatory requirements. The Committee's purpose is to oversee the accounting and financial reporting process of the Company, the audits of the Company's financial statements, the appointment, independence, performance and remuneration of the Statutory Auditors, the performance of Internal Auditors and the Company's risk management policies.

During the year, 5 (five) Audit Committee meetings were held on 30/05/2012, 25/06/2012, 14/08/2012, 12/11/2012 and 09/02/2013 respectively.

The Constitution of the Committee and the attendance of each member of the Committee are given below:

Name	Designation	Position	Committee Meeting Attendance
Mr. Praveen Shah	Independent Director	Chairman	5
Mr. Atul S. Mardia	Whole-time Director	Member	5
Mr. Shailesh Shah	Independent Director	Member	4

#### 2. Investor Grievance cum Share Transfer Committee:

The Investor Grievance Committee specifically monitors expeditious redressal of Shareholders & Investor Complaints received from Stock Exchanges, SEBI, ROC, etc. relating to transfer/transmission of shares, non- receipt of Dividends, non-receipt of Annual Reports, dematerialization of shares and other investor related matter. The Committee also monitors transfer and transmission of shares and split and consolidation of share certificates.

During the year, 4 (four) meetings were held on 30/05/2012, 14/08/2012, 12/11/2012 and 09/02/2013. The Constitution of the

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Committee and the attendance of each member of the Committee are given below:

Name	Designation	Position	Committee meeting Attended
Mr. Praveen Shah	Independent Director	Chairman	4
Mr. Ratanlal S. Mardia	Managing Director	Member	3
Mr. Atul S. Mardia	Whole- time Director	Member	4

During the year the company had received 4 complaints from the shareholders and the same was resolved during the year.

### 3. Remuneration Committee (non-mandatory):

Although it is non-mandatory recommendation under Clause 49 of the Listing Agreement, the Company has constituted Remuneration Committee to review and recommend the remuneration payable to the Executive Director based on their performance and defined assessment criteria.

The Remuneration Committee is constituted in confirmation with the recommendation under Clause 49 of the Listing Agreement as under:

Name	Designation	Position	Independent Director
Mr. Praveen Shah	Independent Director	Chairman	Independent Director
Mr. Shailesh Shah	Independent Director	Member	Independent Director
Mr. Nitin Mehta*	Independent Director	Member	Independent Director
Mr. Vijay Dutt Vyas@	Independent Director	Member	Independent Director

(\*) Mr. Nitin Mehta was appointed as a Director w.e.f. September 29, 2012.

(@) Mr. Vijay Dutt Vyas had resigned from his post w.e.f. June 27, 2012.

**No Remuneration Committee meeting was held during the year.**

The details of remuneration paid to Executive Directors during the financial year 2012–2013 are given below:

Particulars	Mr. Sanjay S. Mardia, Chairman	Mr. Ratanlal S. Mardia, Managing Director	Mr. Atul S. Mardia, Whole-time Director designated as Executive Director
*Basic Salary (Rs.)	4,00,000	4,00,000	4,00,000
Commission of net profit – Basic Salary	Nil	Nil	Nil
<b>Total (Rs.) (p.a.)</b>	<b>4,00,000</b>	<b>4,00,000</b>	<b>4,00,000</b>

#### Note:

The Company has received letter for waiver of remuneration for the period May 2012 to March 2013 from Mr. Sanjay S. Mardia Chairman, Mr. Ratanlal S. Mardia, Managing Director & Mr. Atul S. Mardia in order to strengthen the financial position of the Company and thus, based on the same, remuneration is paid to them only for the month of April 2012.

Details of shares of the Company held by the Executive & Non-Executive Directors as on March 31, 2013 are as follows:

Name	No. of shares held in the Company	% to the total capital
Ratanlal S. Mardia	5555271	8.84
Sanjay S. Mardia	2419258	3.85
Atul S. Mardia	57000	0.09
Praveen Shah	0	0
Shailesh Shah	0	0
Nitin Mehta*	0	0
Vijay Dutt Vyas@	0	0

(\*) Mr. Nitin Mehta was appointed as a Director w.e.f. September 29, 2012.

(@) Mr. Vijay Dutt Vyas had resigned from his post w.e.f. June 27, 2012.



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The Company has not paid any remuneration or sitting fees to the Non-Executive Directors.

### INFORMATION ON GENERAL BODY MEETINGS:

#### 1. Details of Annual/ Extra Ordinary General Meetings:

a) Location and Time of the Annual General Meeting for the last three years are as under:

Year	Venue of the meeting	Date	Time	No. of Special resolutions passed	Details of Special Resolution passed
2009-10	Umbergaon Club & Resort Madhuvan Complex, Umbergaon Sanjan Road, Umbergaon 396171	12/7/2010	11.00 A.M.	3	i. Revision in remuneration of Mr. Sanjay Mardia, Executive Chairman of the Company. ii Revision in remuneration of Mr. Ratanlal Mardia, Managing Director of the Company. iii Revision in remuneration of Mr. Atul Mardia, Whole-Time Director designated as Executive Director of the Company.
2010-11	Umbergaon Club & Resort Madhuvan Complex, Umbergaon Sanjan Road, Umbergaon 396171	23/8/2011	11.00 A.M.	1	Alteration of Articles of Association
2011-12	Golden Pond Resort, Survey No. 62/1/P, Village Chauda, Khanvel, U.T Dadra Havelli 396230	29/9/2012	11.00 A.M.	-	-

b) Details of Extra Ordinary General Meeting held during the last three years are as under:

Year	Venue of the meeting	Date	Time	Details of Resolution passed
2009-10	Umbergaon Club & Resort Madhuvan Complex, Umbergaon Sanjan Road, Umbergaon 396171	14/05/2009	11.00 A.M.	i. Increase in Authorised Share Capital and Alteration of Memorandum of Association. ii Alteration of Articles of Association. iii Issue of Fully Convertible Equity share warrants on preferential basis.
2009-10	Umbergaon Club & Resort Madhuvan Complex, Umbergaon Sanjan Road, Umbergaon 396171	12/02/2010	11.30 A.M	i. Increase in Authorised Share Capital and Alteration of Memorandum of Association. ii Alteration of Articles of Association. iii Issue Of Global Depository Receipt (GDR) iv Increase In Investment Limit U/S 372A v Increase In The Limit Of FII Investment.
2010-11	Umbergaon Club & Resort Madhuvan Complex, Umbergaon Sanjan Road, Umbergaon 396171	16/09/2010	11.00 A.M.	i. Alteration of Articles of Association ii Subdivision of the Equity shares of the Company having face value of Rs. 10/- each into Ten Equity Shares of Re.1/- each.
2011-12	Golden Pond Resort, Survey No. 62/1/P, Village Chauda, Khanvel, Silvassa-396230	16/09/2011	11.00 A.M	i. Issue of Fully Convertible Equity Share Warrants on Preferential basis* ii. Consolidation of Face Value of Equity Share from Re. 1/- to Rs. 10/- each. iii. Alteration of Memorandum of Association.

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\* The Preferential issue was cancelled by the Board of Directors in their meeting held on October 3, 2011.

### DISCLOSURES:

- **Disclosure by the Management to the Board on materially significant related party transactions that may have potential conflict with the interests of the Company at large:**

All disclosures relating to financial and commercial transactions where Directors may have a pecuniary interest are provided to the Board and the interested Directors did not participate in the discussion nor voted on such matters. The same are also entered in the Register maintained under Section 301 of the Companies Act, 1956.

- **Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the last three years:**

There were no instances of penalties, strictures imposed on the Company by stock exchanges, SEBI, or any statutory authority, on any matter related to the capital markets during last 3 years.

- **Whistle blower policy and affirmation that no personnel has denied access to the Audit Committee:**

The Board of Directors affirms and confirms that no personnel have been denied access to the Audit Committee. However, a formal Whistle Blower policy is not in place.

- **Details of compliance with mandatory requirements and adoption of the non-mandatory requirements of clause 49:**

The Company has duly complied with the mandatory requirements of the Clause 49 and as required by Clause 49 of the Listing Agreement, the Auditors Certificate on Corporate Governance is given as **Annexure III**. The status of the compliance with the non mandatory requirements of this clause has been detailed hereof.

- **Accounting treatment in preparation of financial statements:**

The Company has followed the guidelines of accounting standards laid down by the Institute of Chartered Accountants of India (ICAI) in preparation of its financial statements.

The Company has laid down procedures to inform the Board Members about the risk assessment and minimization procedures.

- **Compliance Officer:**

Mr. Vidit Narsana, Company Secretary who was also the Compliance Officer resigned from the post w.e.f. March 15, 2013. Mr. Vinay Karkera was appointed as the Compliance Officer w.e.f. July 1, 2013.

### MEANS OF COMMUNICATION:

#### Quarterly results:

The quarterly results of the Company are regularly sent to the stock exchanges and the same are available on the website of those exchanges.

Further the Financial Results and other relevant information are also available on the website of the Company viz. [www.nissancopper.com](http://www.nissancopper.com)

#### Print:

The Company publishes unaudited quarterly results and half-yearly results reviewed by Audit Committee and approved by the Board of Directors of the Company as well as audited annual financial results generally in the Financial Express (English and Gujarati)

#### Service of documents by e-mode:

**Keeping in mind the "Green Initiative in the Corporate Governance"** and circular issued by the Ministry of Corporate Affairs vide Circular no. 17/2011, dated April 21, 2011 for sending the notice/ documents through e-mail, the Company had issued Notices to the members to register the email address with the Registrar and Transfer Agent of the Company, the Company would be sending notice calling for Annual General Meeting, Audited Accounts, Directors' Report, Auditors' Report for the period ended March 31, 2013 through email to the members who have registered their email addresses with the Registrar and Transfer Agent. In case any member desires to receive the documents mentioned above in physical form or change email address, you are requested to send an e-mail to [query@nissancopper.com](mailto:query@nissancopper.com) Further the Company also urges the members who have not registered their email address with the RTA agent to do the same, in order to send documents like notice calling for Annual General Meeting, Audited Accounts, Directors' Report, Auditor's Report, etc. for the coming years.



## NISSAN COPPER LIMITED

### GENERAL SHAREHOLDERS INFORMATION:

1	<b>Date, Time and Venue of Annual General Meeting</b>	Saturday, September 28, 2013 – 11:00 A.M. – At Golden Pond Resort, Survey no. 62/1/P, Village Chauda, Khanvel, U.T. Dadra Nagar & Havelli-396 230.
2	<b>Financial Year</b>	April 1, 2012 – March 31, 2013
3	<b>Dates of Book Closure</b>	September 23, 2013 to September 27, 2013
4	<b>Equity Shares Listed on Stock Exchanges at</b>	<b>BSE Limited (BSE)</b> Exchange Code : 532789  <b>National Stock Exchange of India Limited (NSE)</b> Exchange Code : NCOPPER
5	<b>Global Depository Receipts (GDRs) Listed on Stock Exchange at</b>	Luxembourg Stock Exchange 11, Av de la Porte-Neuve, L – 2227, Luxembourg.
6	<b>Listing Fee</b>	The Company has paid the Annual Listing Fee for the financial year 2013-2014 has been paid by the Company to BSE and NSE. Annual maintenance and listing agency fee for the calendar year 2013 has been paid by the Company to the Luxembourg Stock Exchange.
7	<b>ISIN Number for NSDL &amp; CDSL</b>	INE846H01039  The annual Custodian Fees for the financial year 2013-14 have been paid to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).
8	<b>Overseas Depository</b>	The Bank of New York Mellon Corporation 101 Barclay Street, 22 West, New York, NY 10286 USA.
9	<b>Domestic Custodian</b>	The Hongkong & Shanghai Banking Corporation Limited Andheri Branch Office, 2 <sup>nd</sup> Floor, "SHIV", Plot no. 139-140 B, Western Express Highway, Sahar Road Junction, Vile Parle (E), Mumbai – 400 057.
10	<b>Corporate Identity Number (CIN)</b>	CIN, allotted by the Ministry of Corporate Affairs, Government of India is <b>L36939DN1989PLC000377</b> , and Company Registration Number is 000377. The Company is registered at the Union Territory of Dadra & Nagar Havelli, India.
11	<b>Registrar &amp; Share Transfer Agent</b>	<b>Bigshare Services Pvt. Ltd</b> E-2/3, Ansa Industrial Estate, Sakivihar Road, Sakinaka, Andheri East, Mumbai - 400 072. Tel No. 40430200 / 28470652, Fax No. 28475207. Email - <a href="mailto:ujata@bigshareonline.com">ujata@bigshareonline.com</a> , Website - <a href="http://www.bigshareonline.com">www.bigshareonline.com</a> Business Hours: Monday to Friday (10 a.m. to 4 p.m.) Contact Person: Ms. Ujata Pokharkar  "Our Registrar & Transfer Agent M/s Bigshare Services Private Limited has launched Gen-Next Investor Module iBoss the most advanced tool to interact with shareholders. Please login into iBoss ( <a href="http://www.bigshareonline.com">www.bigshareonline.com</a> ) and help them to serve you better."
12	<b>Stock Market Data</b>	As Annexure A

## ANNUAL REPORT 2012-13

13	Share Transfer System	Transfer of Shares in physical form are effected and share certificates are dispatched within an average period of 15-20 days from the date of the receipt of request, provided the relevant documents are complete in all respects.  With a view to expedite the process of Share Transfers, committee of the Company have been severally authorised to approve the valid applications for transfer, which have been duly processed and scrutinized by the Registrar & Share Transfer Agent. The said officers of the Company attend to the Share Transfer activities at least once in fortnight.	
14	Distribution of Shareholdings & Shareholder Pattern as on March 31, 2013:	Annexure – B is attached	
15	Dematerialization of Shares & Liquidity as on March 31, 2013	Physical Form 14	Demat Form 62855891  NSDL 45332044  CDSL 17523847
16	Nomination Facility	Pursuant to the provisions of Section 109A of the Companies Act, 1956, Shareholders are entitled to make nominations in respect of shares held by them. Shareholders holding shares in physical form & desirous of making nominations are requested to send their requests to the Company's RTA. Shareholders holding Shares in electronic form (demat form) are requested to give their nomination request to their respective Depository Participant directly	
17	Plant Location	Unit 1: J/20 G.I.D.C. Umbergaon Gujarat. Unit 2: Survey No. 168/1/2, Village – Rudana, Khanvel, Silvassa, Dadra Nagar Havelli – 396 230 Unit 3: Survey No. 168/2/2/1 Village-Rudana, Khanvel, Silvassa, Dadra Nagar Havelli-396230	
18	Shareholders/ Investors Correspondence	Share holders can address their Correspondence to the following: 1. <b>Bigshare Services Pvt. Ltd</b> E-2/3,Ansa Industrial Estate, Sakivihar Road, Sakinaka, Andheri East, Mumbai - 400 072. Tel No.40430200 / 28470652, Fax No. 28475207. Email-ujata@bigshareonline.com website - <a href="http://www.bigshareonline.com">www.bigshareonline.com</a>  2. Mr. Vinay Karkera, <b>Compliance Officer</b> Nissan Copper Limited, 32, Sakhar Bhavan, 3 <sup>rd</sup> floor 230, Nariman Point, Mumbai 400021 Telephone No : 022 43024000 Email Address: <a href="mailto:query@nissancopper.com">query@nissancopper.com</a> / <a href="mailto:cs@nissancopper.com">cs@nissancopper.com</a>	
19	E-Communication Mode	Members can register their email addresses for receiving communication from the Company in electronic mode by sending an email to <a href="mailto:query@nissancopper.com">query@nissancopper.com</a>  However, the same email address can be used by the members to keep the Company informed as and when there is any change in the e-mail address.  In respect of electronic holdings, members can also register/update their email addresses with the Depository or Bigshare Services Pvt. Ltd (RTA).	



# **NISSAN COPPER LIMITED**

## **STOCK MARKET DATA**

### **SHARE PRICE / VOLUME (BOMBAY STOCK EXCHANGE)** (For the Period from 01.04.12 to 31.03.13)

Month	High Price	Low Price	No. of Shares
Apr-12	16.74	13.00	451810
May-12	14.97	8.15	554791
Jun-12	11.10	7.21	264009
Jul-12	10.40	3.79	3897709
Aug-12	5.10	3.50	2351033
Sep-12	4.00	3.52	551757
Oct-12	6.58	3.85	1539782
Nov-12	4.33	3.70	899273
Dec-12	4.75	3.90	498154
Jan-13	6.25	4.01	1676059
Feb-13	4.80	3.80	274260
Mar-13	4.33	3.17	235559

## **ANNEXURE A**

### **SHARE PRICE / VOLUME (NATIONAL STOCK EXCHANGE)** (For the Period from 01.04.12 to 31.03.13)

Month	High Price	Low Price	No. of Shares
Apr-12	16.50	13.00	385208
May-12	15.95	9.80	794190
Jun-12	11.25	8.50	324735
Jul-12	10.90	3.85	2952581
Aug-12	5.05	3.50	1021340
Sep-12	4.00	3.50	471470
Oct-12	6.50	3.90	1440844
Nov-12	4.30	3.75	683628
Dec-12	4.85	3.90	577879
Jan-13	6.20	4.05	1358815
Feb-13	4.75	3.75	336243
Mar-13	4.30	3.35	190789

## **SHARE HOLDING PATTERN**

## **ANNEXURE B**

### **Equity Share Holding Pattern as on March 31, 2013**

Category of Shareholders	No. of shares held	% to Total
<b>A. Shareholding of Promoter and Promoter Group</b>		
<b>1. Promoters</b>		
- Indian Promoters	17165483	27.31
- Foreign Promoters	0	0
<b>Sub Total (A)</b>	<b>17165483</b>	<b>27.31</b>
<b>B. Public Shareholding</b>		
<b>2. Institutions</b>		
FIs/Financial Institutions/Banks	3100201	4.93
<b>3. Non Institution</b>		
- Private Corporate Bodies	12915725	20.55
- Indian Public	17548898	27.92
- NRIs (Repat)	426849	0.68
- Overseas Corporate Bodies	11650000	18.53
- Clearing Members	45607	0.07
- Employees	3142	0.00
<b>Sub Total (B)</b>	<b>45690422</b>	<b>72.69</b>
<b>Grand Total (A+B)</b>	<b>62855905</b>	<b>100</b>



**Distribution of Shareholdings as on March 31, 2013.**

Share Holding of Nominal Value of Re. 10/-	No. of shareholders	% of shareholders	No. of shares	% of shareholding
Upto 5000	15790	80.17	2402235	3.82
5001-10000	1688	8.57	1430372	2.28
10001-20000	907	4.60	1417815	2.26
20001-30000	399	2.02	1043220	1.66
30001-40000	170	0.86	602923	0.96
40001-50000	190	0.96	906845	1.44
50001-100000	261	1.33	1970931	3.14
100001 and Above	290	1.47	53081564	84.45
<b>Total</b>	<b>19695</b>	<b>100</b>	<b>62855905</b>	<b>100</b>

**(B) NON MANDATORY REQUIREMENTS:****1. Chairman of the Board:**

The Company has an Executive Chairman and hence the requirement pertaining to reimbursement of expenses to a Non-Executive Chairman does not arise.

**2. Remuneration Committee:**

The Company has a Remuneration Committee. Please refer under Mandatory Requirements.

**3. Shareholder Rights:**

As the Company's financial results are published in English newspaper having a wide circulation all over India and in a Gujarati newspaper widely circulated in Dadra Nagar & Havelli, the same are not sent to the shareholders of the Company, individually. The Company's Quarterly/ Half Yearly/Annual Audited Results are also posted on to the Company's Website.

**4. Audit Qualifications:**

There are no qualifications in the Auditor's Report for the financial year under review.

**5. Training of Board Members:**

The necessary training will be provided to the Board Members as and when required.

**6. Mechanism to evaluate Non-Executive Board Members:**

The Board of Directors does not feel the necessity of evaluating the performance of its Non-Executive Members / Directors as of now.

**7. Whistle Blower Policy:**

The Company has not formulated a Whistle Blower Policy as of now.

**MANAGEMENT REVIEW & RESPONSIBILITY:**

- Corporate Social Responsibility:**

As a concerned Corporate Citizen, your Company believes that CSR initiatives are a way to pay back societal debt and obligations. Your Company does not see CSR as a charity; not even as a responsibility, but as an opportunity to change and your Company's activities are determined by the concept of Changing Lives. Your Company is constantly endeavored to improve the quality of life of the communities and to bridge the gaps in society and help transform communities around the workplace.

- Prevention of Insider Trading Practices:**

In compliance with SEBI regulation on prevention of insider trading, the Company has instituted a comprehensive code of conduct for its Directors, management and officers. The code lays down guidelines, which advice them on procedures to be followed & disclosures to be made, while dealing with the shares of the Company and cautioning them of the consequences of



## NISSAN COPPER LIMITED

violations. The code clearly specifies, among other matters, that Directors and specified employees of the Company can trade in shares of the Company only during 'Trading Window open Period'. The trading Window is closed during the time of declaration of results, dividend and material events, etc. as per the Code.

- **Risk Management Framework:**

Risk assessment and management is an ongoing process within the organization. Over the years the Company has encountered several risks such as inflation, high volatility of copper prices, demand/supply dynamics and concerns such as issue of substitution, competitive pricing strategy etc. during the process of its business. While the Company has taken several steps to defy and alleviate these, it has maintained the quality and standard of the products. Now with the Subsidiary, the Company has compliance obligations with diverse rules and regulations. In the current scenario any unforeseen changes whilst the major concern being the political unrest in the Middle East and North Africa can expose the Company's business. To limit such exposures, the Subsidiary Company operates primarily in a country where investment, business, legal framework etc. are in place. For any new investments, country risk evaluations are conducted as part of investment assessment.

The Company has in place a mechanism to inform the Board about the risk assessment and minimization procedures, periodical review and seeks to minimise any adverse consequences through appropriate sales contracting strategies and tighter procurement and working capital management.

The Company has adequate system of Internal Control to ensure reliability of financial and operational information and compliance with statutory / regulatory compliances. The validation of adequacy of internal process is done by the Internal Audit Department and reviewed by the Statutory Auditors.

- **Reconciliation of Share Capital Audit Report:**

A qualified Practicing Company Secretary carried out Reconciliation of Share Capital Audit Report to reconcile the total admitted Capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and Listed Capital. The Reconciliation of Share Capital Audit Report confirms that the total issued / paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL & CDSL.

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### ANNEXURE I

#### ANNUAL CERTIFICATION BY MANAGING DIRECTOR PURSUANT TO CLAUSE 49 I D (II) OF THE LISTING AGREEMENT:

As the Managing Director of Nissan Copper Limited and as required pursuant to Clause 49 I D (ii) of the Listing agreement, I hereby declare and certify that all the Board members and senior management personnel of Nissan Copper Limited have affirmed compliance with the code of conduct adopted by the Company for the year 2012-13.

For Nissan Copper Limited

Sd/-

Ratanlal S. Mardia  
Managing director

### MANAGING DIRECTOR CERTIFICATION

I, Ratanlal S. Mardia, Managing Director of Nissan Copper Limited, to the best of my knowledge and belief, certify that:-

- I have viewed the Balance Sheet & Profit & Loss Account (Statement of Profit & Loss) (Consolidated & Standalone) and all the schedules and notes on accounts, as well as the cash flow statements, and Directors Report.
- Based on my knowledge & information, these statements do not contain any untrue statement of a material facts or omit to state any material fact necessary to make the statements made, in the light of the circumstances under which such statements were made, not misleading with respect to the statement made.
- Based on my knowledge & information, the financial statements, and other financial information included in this report, present in all material respect, a true and fair view of the Company's affairs, the financial condition, results of operations and cash flow of the Company as of, and for, the periods presented in this report, and are in compliance with existing accounting standards and/or applicable laws and regulations.
- To the best of my knowledge and belief, no transactions entered into by the Company during the financial year are fraudulent, illegal or in violation of the Company's code of conduct.
- I accept responsibility for establishing and maintaining internal controls for Financial Reporting and I have evaluated the effectiveness of the Internal Control Systems of the Company pertaining to Financial Reporting and the same have been disclosed to the auditors and the Audit Committee. Deficiencies in the design or operation of such internal controls, if any, of which I am aware have been disclosed to the auditors and the Audit Committee and steps have been taken to rectify these deficiencies.
- I have indicated to auditors and the Audit committee that:
  - a. There have been no significant changes in internal control over Financial reporting during the year under reference;
  - b. There have been no significant changes in Accounting Policies during the year requiring disclosure in the notes to the Financial Statements.

Place: Mumbai  
Date: September 2, 2013

Sd/-  
Ratanlal S. Mardia  
Managing Director

Annexure III

### AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE

To the members of Nissan Copper Ltd.

We have examined the compliance of Corporate Governance followed by Nissan Copper Ltd. for the Financial Year 2012-2013 as stipulated in clause 49 of the listing agreement of the said Company with the stock exchanges in India.

The compliance of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of 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 certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we have to state that the shares transfer agent of the Company have maintained records to show the investors grievances' against the Company and have certified that as on March 31, 2013 there were no investor grievance unattended/pending for more than 30 days.

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.

Place: Mumbai  
Date: May 30, 2013

For R C Jain & Associates  
Chartered Accountants  
FRN no.: 103952W  
Sd/-  
R. C. Jain  
Partner



**NISSAN COPPER LIMITED**

## **INDEPENDENT AUDITORS' REPORT**

**To the Members of  
Nissan Copper Limited.**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of NISSAN COPPER LIMITED (hereinafter referred to as "**the Company**"), which comprise the Balance Sheet as at March 31, 2013, and 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 said Financial Statements read together with the Significant Accounting Policies and other notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2013;
- ii) In the case of the Profit and Loss Account, of the loss for the year ended on that date; and
- iii) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

### **Emphasis of Matter**

- a) During the FY 12-13, the company decided to make a proposal to Corporate Debt Restructuring cell (CDR) in order to reschedule its debts in line with the projected potential earnings. The said proposal was approved by the CDR – EG and the final letter of approval was received on 24.01.2013. The Master Restructuring Agreement between the Company and Consortium lenders was signed on 30.03.2013 cut - off date being 01.04.2012. Sanction letter for restructured debts was received by the consortium bankers on 30.03.2013. Effects for the restructured debts have been given in the said financial statements as per the sanction letters given. (Ref. Note No. 33 forming part of Financial Statements)
- b) The search & seizure action u/s. 132(1) which was carried out on 17.01.2009 resulted into a total demand of Rs. 280,335,020/- for the AY 2003-04 to AY 2009-10. Out of the total demand, company has paid Rs. 95,274,581/- upto 31.03.2012. The company had filed an appeal with the CIT (A) for the demand raised. The Ld. CIT (A) has pronounced the orders in the company's favour, except minimal disallowances. The Company has filed further appeal with the Hon'ble Tribunal for AY 2004-05 on 17.04.2012 as the company do not agree to the disallowances made by Ld. CIT (A). The total disputed amount for the said year is Rs.761, 217/-, which the company has already paid but provision for the same has not been made.(Ref. Note No. 37 forming part of Financial Statements)

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- c) For AY 2010-11, company's return of income was processed u/s. 143(1) and on a regular scrutiny order was passed u/s. 143(3) demanding tax of Rs.38,454,130/-. Provision for the said amount has been made in the books but payment for the same is still pending. (Ref. Note No. 39 forming part of Financial Statements)
- d) For AY 2006-07, penalty of Rs. 85,904,087/- for the F.Y. 2006-07 levied under Cenvat Credit Rules, 2004 of Central Excise Act, 1944 by the Central Excise, Customs and Service Tax Commissionerate, Vapi. The Company has filed an appeal with Hon'ble CESTAT for the said demand as the Company does not agree with the same. (Ref. Note No. 40 forming part of Financial Statements)
- e) A search action u/s. 64 of the Maharashtra Value Added Tax Act, 2002, was carried on 06.07.2012 which resulted in a total VAT demand of Rs. 20,507,763/- . The company has made provision of the said amount alongwith interest payable of Rs. 6,340,130/- and penalty payable of Rs. 4,974,788. (Ref. Note No. 41 forming part of Financial Statements)

Our opinion is not qualified in respect of this matter.

### 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 section 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 subsection (3C) of section 211 of the Companies Act, 1956;
  - e) On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

We further report the following:-

- a) Pending confirmations and reconciliation, the balances under the heads Sundry Creditors, Loans Liabilities, Loans & Advances, Deposits and of the Sundry Debtors remain as per book balance the impact of which cannot be quantified at this stage
- b) The effect of qualifications given above on the profit as well as assets and liabilities of the company could not be ascertained for want of details in respect of (a) above.

Place: - Mumbai  
Date: 30th May, 2013

For R.C. JAIN & ASSOCIATES  
Chartered Accountants  
FRN No. 103952W  
Sd/-  
R.C.Jain  
(Partner)  
M. NO.038096



## **ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT**

(Referred to in the paragraph above of our Report of even date on the accounts of NISSAN COPPER LIMITED for the year ended on 31st March, 2013)

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

1. (a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.  
(b) As explained to us, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.  
(c) In our opinion and according to the information and explanations given to us, no fixed asset has been disposed during the year and therefore does not affect the going concern assumption.
2. (a) The inventories of the company at all its locations have been physically verified by the management during the year.  
(b) In our opinion, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.  
(c) The company has maintained proper records of inventories and the discrepancies between the physical inventories and the book records which have been properly dealt with in the books of account were not material.
3. (a) The Company has granted loans to the Companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956. The Maximum amount involved during the year and the year-end balance of such Loan aggregates to Rs. 12,661.80 lacs & Rs. 12,648.25 lacs respectively  
(b) In our opinion, the rate of interest and other terms and conditions of the above loan granted by the company, are not prima facie, prejudicial to the interest of the company.  
(c) There is no stipulation as to the receipt of the loan granted by the Company.  
(d) There are no amounts overdue more than Rs 1 lakh and the loan given by the Company to its wholly owned foreign subsidiary company is receivable on demand and therefore the question of overdue amount does not arise.  
(e) The Company has taken loans from the Companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956. The Maximum amount involved during the year and the year-end balance of such Loan aggregates to Rs.983.08 lacs & Rs. 906.58 lacs respectively.  
(f) In our opinion, the rate of interest and other terms and conditions of the above loan taken by the company, are not prima facie, prejudicial to the interest of the company.  
(g) There is no stipulation as to the payment of the loan taken by the Company.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures that commensurate with the size of the Company and nature of its business with regard to the purchase of inventory and fixed assets, and with regard to the sale of goods. Further, on the explanation given to us, we have neither come across nor have been informed of any continuing failure to correct major weakness in the aforesaid internal control system.
5. (a) Based on the audit procedures applied and according to the information and explanations given, particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under that Section.  
(b) Based on the audit procedures applied, in our opinion, and according to the information and explanations given, the contracts or arrangement have been made at prices which are prima facie, reasonable having regard to the prevailing market prices at the relevant time or the prices at which transactions for similar services have been made with other parties or as per information available with the Company.
6. In our opinion and according to the information and explanations made available to us by the management, the company has not accepted any deposit from public within the meaning of Section 58A and 58AA or any other relevant provision of the Companies Act, 1956 and the rules framed there under.
7. In our opinion, the company has internal audit system commensurate with the size of the company and nature of its business.
8. The Central Government has prescribed maintenance of the cost records under section 209(1) (d) of the Companies Act, 1956, in respect to the company's products. As per the information and explanation provided to us, we are of the opinion that prima facie, the prescribed records have been made and maintained. We have however not made a detailed examination of the record with a view to determine whether they are accurate or complete.

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9. In respect of statutory dues:

- (a) According to the records of the Company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess, and other statutory dues have been generally regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at March 31, 2013 for a period of more than six months from the date of becoming payable.
- (b) According to the information and explanations given, there are no dues of Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess which have not been deposited on account of any dispute, except as under:

Name of the Statute (Nature of Dues)	Forum where dispute is pending	Amount	Period
Income tax Act 1961 , Income Tax	CIT(A)	Rs. 396,528 (penalty)	F.Y.2003-04
Income tax Act 1961, Income Tax	CIT(A)	Rs. 38,454,130	FY 2009-10
Excise Duty	Hon'ble CESTAT	Rs. 85,904,087	F.Y. 2006-07
Excise Duty (Penalty)	Hon'ble CESTAT	Rs. 85,904,087	F.Y. 2006-07

10. The Company does not have accumulated losses more than 50% of its net worth as at the end of the financial year. However the company has incurred cash losses only during the current financial year but has not incurred any cash losses in the preceding year.
11. According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of dues to the public financial institution as at the balance sheet date.
12. According to the information and explanations given to us and based on the documents and records produced to us, 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. In our opinion, the Company is not a Chit Fund or a Nidhi/Mutual Benefit Fund/Society. Therefore, the provisions of clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
14. In our opinion and according to the information and explanations given to us, the Company is not a dealer or trader in shares, securities, debentures and other investments.
15. In our opinion and 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 institutions during the year.
16. Based on the information and explanation given to us, term loan was applied for the purpose for which the loan was obtained.
17. According to the information and explanations given to us and on an overall examination of the Balance Sheet and Cash Flow Statement of the Company, we report that no funds raised on short term basis have 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 during the year.
19. Since the Company has not issued any debentures, clause 4 (xix) of the Order is not applicable to the Company.
20. Since the Company has not raised any money through a public issue during the year, clause 4 (xx) of the Order is not applicable to the Company.
21. During the course of our examination of books and records of the Company, carried out in accordance with auditing standards generally accepted in India, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management. Sd/-

Place: - Mumbai  
Date: 30th May, 2013

For R.C. JAIN & ASSOCIATES  
Chartered Accountants  
FRN No. 103952W  
Sd/-  
R.C.Jain  
(Partner)  
M. NO.038096



**NISSAN COPPER LIMITED**

## BALANCE SHEET AS AT 31ST MARCH, 2013

Particulars	Note No.	31st March 2013 (Rs.)	31st March 2012 (Rs.)
<b>I. EQUITY AND LIABILITIES</b>			
(1) <b>Shareholders' Funds</b>			
(a) Share Capital	2	628,559,050	628,559,050
(b) Reserves and Surplus	3	928,983,087	1,575,931,881
(c) Money received against share warrants	-	-	-
(2) <b>Share application money pending allotment</b>		-	-
(3) <b>Non-Current Liabilities</b>			
(a) Long-term borrowings	4	1,458,654,289	527,141,787
(b) Other Long term liabilities	5	-	-
(c) Long-term provisions	6	218,625,977	103,403,805
(4) <b>Current Liabilities</b>			
(a) Short-term borrowings	7	677,912,546	1,272,989,991
(b) Trade payables	8	931,878,896	653,951,502
(c) Other current liabilities	9	292,236,050	318,180,783
(d) Short-term provisions	10	35,424,648	-
<b>Total</b>		<b>5,172,274,544</b>	<b>5,100,760,850</b>
<b>II. ASSETS</b>			
(1) <b>Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	11	998,301,080	1,154,396,687
(ii) Intangible assets	12	-	-
(iii) Capital work-in-progress		-	-
(iv) Intangible assets under development		-	-
(b) Non-current investments	13	2,284,221	2,284,221
(c) Deferred tax assets (Net)	14	3,119,359	(8,569,976)
(d) Long term loans and advances	15	1,471,753,814	1,351,698,288
(e) Other non-current assets	16	36,158,108	47,052,252
(2) <b>Current assets</b>			
(a) Current Investments	17	-	-
(b) Inventories	18	522,745,553	604,707,895
(c) Trade receivables	19	1,712,180,063	1,472,855,811
(d) Cash and Bank Balances	20	18,632,543	65,818,387
(e) Short-term loans and advances	21	396,205,658	399,623,135
(f) Other current assets	22	10,894,144	-
<b>Total</b>		<b>5,172,274,544</b>	<b>5,100,760,850</b>

Summary of Significant Accounting Policies 1

Notes on Financial Statements 2 to 51

The accompanying notes are an integral part of the financial statements

As per our Report of even date

For and on behalf of the Board

For R.C. JAIN & ASSOCIATES

Chartered Accountants

FRN No: 103952W

Sd/-

R C Jain

Partner

M. No. 038096

Place : Mumbai

Date:30.05.2013

Sd/-

Ratanlal S. Mardia

Managing Director

Sd/-

Sanjay S. Mardia

Chairman



## STATEMENT OF PROFIT &amp; LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

Particulars	Note No.	31st March 2013 (Rs.)	31st March 2012 (Rs.)
I. Gross Sales		577,792,954	2,887,680,319
Less : Excise Duty		(7,395,407)	(72,863,992)
Revenue from operations	23	570,397,547	2,814,816,327
II. Other Income	24	47,372,052	54,213,228
III. <b>Total Revenue (I + II)</b>		<b>617,769,599</b>	<b>2,869,029,555</b>
IV. Expenses:			
Cost of materials consumed	25	44,749,181	766,188,296
Purchase of Stock-in-Trade	26	587,906,007	1,880,714,883
Manufacturing & Operating Costs	27	14,081,602	52,008,755
Increase or Decrease in inventories of finished goods, work-in-progress and Stock-in-Trade	28	14,234,500	(269,688,137)
Employee benefit expense	29	22,087,679	38,951,519
Finance Costs	30	281,538,425	243,942,969
Depreciation and amortization expense	31	156,576,692	103,621,436
Other expenses	32	116,196,757	65,151,784
<b>Total Expenses</b>		<b>1,237,370,841</b>	<b>2,880,891,506</b>
V. Profit before exceptional and extraordinary items and tax (III - IV)		(619,601,242)	(11,861,952)
VI. Exceptional Items		-	-
VII. Profit before extraordinary items and tax (V - VI)		(619,601,242)	(11,861,952)
VIII. Extraordinary Items		28,074,153	-
IX. Profit before tax (VII - VIII)		<b>(647,675,395)</b>	<b>(11,861,952)</b>
X. Tax expense:			
(1) Current tax		-	-
(2) Excess / Short provision of tax for earlier years		84,250,041	-
(3) Deferred tax		(11,689,335)	7,335,089
XI. Profit/(Loss) from the period from continuing operations (IX-X)		<b>(720,236,101)</b>	<b>(19,197,041)</b>
XII. Profit/(Loss) from discontinuing operations		-	-
XIII. Tax expense of discounting operations		-	-
XIV. Profit/(Loss) from Discontinuing operations (XII - XIII)		-	-
XV. Profit/(Loss) for the period (XI + XIV)		<b>(720,236,101)</b>	<b>(19,197,041)</b>
XVI. Earning per equity share:			
(1) Basic		(11.46)	(0.31)
(2) Diluted		(11.46)	(0.31)

Summary of Significant Accounting Policies

1

Notes on Financial Statements

2 to 51

The accompanying notes are an integral part of the financial statements

As per our Report of even date

For and on behalf of the Board

For R.C. JAIN &amp; ASSOCIATES

Chartered Accountants

FRN No: 103952W

Sd/-

R C Jain

Partner

M. No. 038096

Place : Mumbai

Date:30.05.2013

Sd/-

Ratanlal S. Mardia

Managing Director

Sd/-

Sanjay S. Mardia

Chairman



**NISSAN COPPER LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013**

### **Corporate Information**

Nissan Copper Ltd. was established during 1989 as a private limited company. The Company was issued a fresh Certificate of Incorporation ensuing upon change of name on conversion to a public limited company on 8th December 2005 with the name Nissan Copper Limited. Its shares are listed on Bombay stock exchange, National stock exchange and Luxembourg Stock Exchange. The company started its first copper pipe unit at Umergaon in September, 1991. Its second manufacturing unit is situated at Silvassa. The main products manufactured by Nissan are Copper Rods/Section/flats, Copper Ingots/Billets Bars, Copper Wire Bars, Copper Strips and Copper Pipes catering to FMCG, OEMs and Construction industry. As on date, Nissan has already started a new ACR Copper Tube project to manufacture Copper Level wound coils in Plain and Innergrooved Tubes, Copper Pancake coils with "Cast & Roll Technology".

### **NOTE NO. "1" - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### **a. Basis of preparation of financial statements**

The financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India, Accounting Standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956. These are based on the historical cost convention Method. The Company generally follows mercantile system of accounting and recognizes items of income and expenditure on accrual basis, except in case of significant uncertainties. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year, except for the change in accounting policies explained below.

#### **b. Revenue Recognition**

Sales are net of Excise Duty, Sales Tax, Trade discount & returns.  
Income from Conversion of job work is accounted for on the basis of dispatches made.  
Interest & other incomes are accounted on accrual basis.  
Dividend income is accounted for when the right to receive it is established.

#### **c. Cash & Cash Equivalents**

Cash comprises of cash-on-hand and demand deposits with banks. Cash equivalents are short term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

#### **d. Foreign Currency transactions**

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of transaction. Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Realised gains and losses on foreign exchange transactions during the year are recognised in the Profit and Loss account. Exchange differences in respect of foreign currency loans/liabilities relating to Fixed Assets are accounted in the Profit and Loss Account.

Foreign currency current assets and current liabilities are translated at year end rates. In circumstances, where the year end rate is not stable / highly volatile, monetary items shall be reported based on the subsequent actual realisation rate. Resulting gains / losses are recognised in the profit and loss account. However resulting gains / losses relating to 100 % subsidiary (considered as Non – Integral Foreign Operation) are accumulated in Foreign Currency Translation Reserve.

Non monetary items such as Investments / Fixed Assets, denominated in foreign currency are stated at exchange rate prevailing on the date of transaction.

In respect of forward foreign exchange contracts, realized gain or loss on cancellation of forward contracts is recognized in the profit & loss account of the year in which they are cancelled.

**NOTES TO THE FINANCIAL STATEMENTS (Contd..)****e. Tangible Fixed assets**

Fixed Assets are stated at cost including central sales tax, freight and other incidental expenses incurred in relation to acquisition & installation of the same, net of modvat and VAT.

The Foreign Exchange differences, in respect of Foreign Currency Loans / Liabilities relating to acquisition of Fixed Assets, are accounted in the Profit and Loss Account.

Capital Work in Progress includes the cost of Fixed Assets that are not ready for use at the Balance Sheet date. Physical verification of fixed assets is carried out in phase manner in three years. Shortage/excess, if any, is provided for in the year of identification.

Borrowing cost on New ACR Plant has been capitalized as per AS -16, Borrowing costs.

**f. Depreciation on Tangible Fixed assets**

The Depreciation is provided on fixed assets on written down value method at the rates specified in the Schedule XIV of the Companies Act, 1956 on pro-rata basis for additions/deductions.

**g. Intangible Assets**

Intangible assets acquired separately are measured on initial recognition on cost.

**h. Leases**

Finance leases, which effectively transfer to the company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the inception of the lease term.

**i. Borrowing Costs**

Borrowing costs includes interest, amortization of ancillary cost incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

**j. Investments**

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long term investments. During the financial year 2010-11, company had invested in NC Middle East FZE which is its 100 % subsidiary situated in UAE.

**k. Inventories**

Raw Materials, Stores & Spares, and Packing Materials are valued at lower of cost or net realisable value under the FIFO method.

Stocks in Process are valued at lower of cost or net realizable value under the FIFO method. The cost is arrived at on full absorption basis as per Accounting Standard AS 2 – Valuation of Inventories.

Finished Goods are valued at lower of cost or net realizable value, under the FIFO method. The cost is arrived at on full absorption basis as per Accounting Standard AS 2 – Valuation of Inventories. Scraps are accounted for on realization.



**NISSAN COPPER LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (Contd..)**

### **l. Retirement benefits and leave wages**

Company's contribution to Provident Fund, Pension Scheme & Workman compensation Funds are charged to the Profit & Loss Account on an accrual basis.

Calculation of provision for gratuity for the current year has been done on the basis of own valuation.

Provision for accrued leave encashment is made on the basis of own valuation and charged to profit & loss account of the year.

### **m. Preliminary Expenditure**

Expenses relating to the issue of GDR are accounted under the head Preliminary Expenditure as Preliminary Expenses. Preliminary Expenses & Share Issue Expenses are amortised over a period of ten years. A preliminary expense related to ACR Plant has been amortized over a period of five years.

### **n. Accounting for Taxes on Income**

Tax expense comprises of current and deferred tax. Provision for Current Tax is made on the assessable income at the tax rate applicable to the relevant assessment year. Deferred Tax is recognised, subject to the consideration of prudence, on timing differences, being the difference between taxable income & accounting income that originates in one period and are capable of reversal in one or more subsequent periods.

### **o. Earning per share**

Basic earnings per share is computed by dividing the net profit attributable to equity share holders for the year, by weighted average number of equity shares outstanding during the year. Diluted earning per share is computed using the weighted average number of equity and dilutive equity equivalent shares outstanding at the year end.

### **p. Provisions & Contingencies**

The company creates a provision when there is present obligation as a result of past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that probably will not require an outflow of resources or where a reliable estimate of the obligation cannot be made.

### **q. Contingent Liability:**

A Contingent Liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation.

### **r. Events occurring after 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.

## NOTES TO THE FINANCIAL STATEMENTS (Contd..)

	31st March 2013 (Rs.)	31st March 2012 (Rs.)
<b>NOTE NO. " 2 " - SHARE CAPITAL</b>		
<b>Equity Share Capital</b>		
<b>Authorised Share capital</b>		
7,00,00,000 (Previous year - 70,00,00,000 Equity Shares of Re.1/- each)	700,000,000	700,000,000
Equity Shares of Rs.10/- each		
<b>Issued, subscribed &amp; fully paid share capital</b>		
6,28,55,905 (Previous year - 62,85,59,050 shares of Re.1/- each)	628,559,050	628,559,050
Equity Shares of Rs.10/- each fully paid up		
<b>Calls unpaid</b>	-	-
<b>Forfeited shares</b>	-	-
<b>Preference Share Capital</b>		
<b>Authorised Share capital</b>	-	-
<b>Issued, subscribed &amp; fully paid share capital</b>	-	-
<b>Calls unpaid</b>	-	-
<b>Forfeited shares</b>	-	-
<b>Total</b>	<b>628,559,050</b>	<b>628,559,050</b>

## a. Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period

Equity Shares	31st March 2013		31st March 2012	
	No. of Shares	Amount (Rs.)	No. of shares	Amount (Rs.)
Share Outstanding at the beginning of the year	62,855,905	628,559,050	628,559,050	628,559,050
Share Issued during the year	-	-	-	-
Share bought back during the year	-	-	-	-
<b>Share outstanding at the end of the year</b>	<b>62,855,905</b>	<b>628,559,050</b>	<b>62,855,905</b>	<b>628,559,050</b>

During the F Y 2011-12, your Company has consolidated 10 Equity shares of face value of Re. 1/- (Rupee One) each into One Equity share of the face value Rs.10/- (Rupees Ten) each, pursuant to Shareholders approval on 16th Day of September 2011, and was effected from the Record Date i.e. 3rd Day of October 2011.

## b. Terms / Rights attached to Equity Shares

The Company has only one class of Equity shares having par value of Rs. 10 per share. Each holder of Equity shares is entitled to one vote per share. The company declares and pays dividends in Indian Rupees.

	31st March 2013	31st March 2012
Shares held by holding / ultimate holding company / or their subsidiaries / associates	NIL	NIL

## d. Details of shareholders holding more than 5% shares in the company

Name of the Shareholder	31st March 2013		31st March 2012	
	No. of Shares	% of holding	No. of Shares	% of holding
The Bank of New York Mellon	11,650,000	18.53%	14,750,000	23.47%
Danial Investments Pvt Ltd	5,800,000	9.23%	6,500,000	10.34%
Ratanlal Mardia	5,555,271	8.84%	7,118,000	11.32%

	31st March 2013	31st March 2012
Aggregate number of shares issued for consideration other than cash, bonus shares issued and shares bought back during the period of 5 years immediately preceeding the reporting date.	NIL	NIL

- f. During the financial year 2010-11, Company issued GDR's of Rs.100 crores & listed the same at Luxembourg Stock Exchange. The said proceeds of GDR was invested in NC Middle East FZE, wholly owned foreign subsidiary of Nissan Copper Ltd partly in the form of Equity and partly in the form of loans. During the year 2011-12, the entire proceeds of GDR was remitted as mentioned in the offer circular.



**NISSAN COPPER LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (Contd..)**

		31st March 2013 (Rs.)	31st March 2012 (Rs.)
<b>NOTE NO. " 3 " - RESERVES &amp; SURPLUS</b>			
a. Capital Reserves		-	-
b. Capital Redemption Reserves		-	-
c. Securities Premium Reserves			
As per last Balance Sheet	1,054,316,245		1,054,316,245
Add : Share warrant Premium	-	1,054,316,245	-
d. Debenture Redemption Reserves		-	-
e. Revaluation Reserves		-	-
f. Share Options Outstanding Account		-	-
g. General Reserve			
As per last Balance Sheet	225,699,882		189,052,060
Add : Transfer from Profit & Loss a/c	-	-	-
Add: Proposed Dividend on equity shares for last year not approved at AGM	-		31,427,953
Add: Corporate Tax on the above Proposed Dividend on equity shares for last year not approved at AGM	-	225,699,882	5,219,869
			225,699,882
h. Other reserves			
Foreign Currency Translation Reserve		219,138,566	145,851,258
i. Surplus			
Balance as per last balance sheet	150,064,495		169,261,536
Profit for the year	(720,236,101)		(19,197,041)
Less: Appropriations			
General Reserve	-		-
Proposed Dividend on Equity Shares	-		-
Corporate Tax on Proposed Dividend	-	(570,171,606)	-
			150,064,495
<b>Total</b>		<b>928,983,087</b>	<b>1,575,931,881</b>

## NOTES TO THE FINANCIAL STATEMENTS (Contd..)

## NOTE NO. " 4 " - LONG-TERM BORROWINGS

Particulars	Non Current Portion		Current Portion	
	31st March 2013 (Rs.)	31st March 2012 (Rs.)	31st March 2013 (Rs.)	31st March 2012 (Rs.)
Bonds/Debentures	-	-	-	-
Term Loans from Banks (Note 1 & 2)				
Secured	1,455,962,393	525,000,000	140,849,614	134,257,226
Deferred payment liabilities	-	-	-	-
Deposits	-	-	-	-
Loans and Advances from Related parties	-	-	-	-
Long Term maturities of finance lease obligations	-	-	-	-
Other loans				
Secured	1,964,500	-	-	-
Unsecured	-	654,832	100,881,341	42,397,435
Car Loan (Note 4)				
Secured	727,396	1,486,955	758,156	694,855
<b>TOTAL</b>	<b>1,458,654,289</b>	<b>527,141,787</b>	<b>242,489,111</b>	<b>177,349,516</b>

**Notes:-**

1. Secured by Equitable mortgage of lease hold Land at GIDC, Umergaon & Freehold land at Khanvel, U.T., D.N.H. and Building constructed on said plots and hypothecation of Plant and Machineries.
2. Further secured by personal guarantees of three Promotor Directors and personal properties of Director & their relatives.
3. Loan taken from LIC of India against LIC policies of the three directors
4. Car Loan is secured by hypothecation of the vehicles financed by the bank.
5. All the existing loans of the Company as on 31st March, 2012 was restructured under the Corporate Debt Restructuring plan which was approved by the CDR - EG through the Master Restructuring Agreement on 30th March, 2013.
6. Terms of Repayment

**TERM LOANS :-** To be repaid over a period of 10 years in quarterly installments.

Period	SBI		Union Bank	
	Quarterly Installment	Yearly Installment Amount	Quarterly Installment	Yearly Installment Amount
1.04.12 to 31.03.13	500,000	2,000,000	250,000	1,000,000
1.04.13 to 31.03.14	500,000	2,000,000	250,000	1,000,000
1.04.14 to 31.03.15	1,000,000	4,000,000	500,000	2,000,000
1.04.15 to 31.03.16	4,000,000	16,000,000	2,000,000	8,000,000
1.04.16 to 31.03.17	9,000,000	36,000,000	4,500,000	18,000,000
1.04.17 to 31.03.18	13,000,000	52,000,000	6,500,000	26,000,000
1.04.18 to 31.03.19	16,000,000	64,000,000	8,000,000	32,000,000
1.04.19 to 31.03.20	16,000,000	64,000,000	8,000,000	32,000,000
1.04.20 to 31.03.21	20,000,000	80,000,000	10,000,000	40,000,000
1.04.21 to 31.03.22	20,000,000	80,000,000	10,000,000	40,000,000
<b>Total</b>		<b>400,000,000</b>		<b>200,000,000</b>



**NISSAN COPPER LIMITED**

## NOTES TO THE FINANCIAL STATEMENTS (Contd..)

WORKING CAPITAL TERM LOAN - I :- To be repaid over a period of 10 years in 40 quarterly installments.

Period	WCTL - I		
	%	PAYABLE	BALANCE
1.04.12 to 31.03.13	0.50%	2,505,500	498,594,500
1.04.13 to 31.03.14	0.50%	2,505,500	496,089,000
1.04.14 to 31.03.15	1.00%	5,011,000	491,078,000
1.04.15 to 31.03.16	4.00%	20,044,000	471,034,000
1.04.16 to 31.03.17	9.00%	45,099,000	425,935,000
1.04.17 to 31.03.18	13.00%	65,143,000	360,792,000
1.04.18 to 31.03.19	16.00%	80,176,000	280,616,000
1.04.19 to 31.03.20	16.00%	80,176,000	200,440,000
1.04.20 to 31.03.21	20.00%	100,220,000	100,220,000
1.04.21 to 31.03.22	20.00%	100,220,000	-

WORKING CAPITAL TERM LOAN - II :- To be repaid before 31st March, 2013.

WORKING CAPITAL TERM LOAN - III :- To be repaid over a period of 10 years in 40 quarterly installments.

Period	WCTL - III		
	%	PAYABLE	BALANCE
1.04.12 to 31.03.13	0.50%	959,000	190,841,000
1.04.13 to 31.03.14	0.50%	959,000	189,882,000
1.04.14 to 31.03.15	1.00%	1,918,000	187,964,000
1.04.15 to 31.03.16	4.00%	7,672,000	180,292,000
1.04.16 to 31.03.17	9.00%	17,262,000	163,030,000
1.04.17 to 31.03.18	13.00%	24,934,000	138,096,000
1.04.18 to 31.03.19	16.00%	30,688,000	107,408,000
1.04.19 to 31.03.20	16.00%	30,688,000	76,720,000
1.04.20 to 31.03.21	20.00%	38,360,000	38,360,000
1.04.21 to 31.03.22	20.00%	38,360,000	-

FUNDED INTEREST TERM LOAN - I :- To be repaid before 31st March, 2013.

FUNDED INTEREST TERM LOAN - II :- To be repaid over a period of 4 years in 16 quarterly installments after moratorium of 2 years commencing from quarter ending June 2014.

CAR LOAN : HDFC BANK LTD - To be repaid in EMI of Rs. 33,020 upto July 2014 and Rs.17,400 upto August 2015.

L & T FINANCE - To be repaid in EMI of Rs. 23,492 upto June 2015.



## NOTES TO THE FINANCIAL STATEMENTS (Contd..)

	31st March 2013 (Rs.)	31st March 2012 (Rs.)
<b>NOTE NO. " 5 " - OTHER LONG TERM LIABILITIES</b>		
Trade payables		
Others	-	-
<b>Total</b>	-	-
<b>NOTE NO. " 6 " - LONG TERM PROVISION</b>		
Provision for employee benefits	1,961,856	1,961,856
Provision for Tax	216,664,121	101,441,949
<b>Total</b>	<b>218,625,977</b>	<b>103,403,805</b>
<b>NOTE NO. " 7 " - SHORT-TERM BORROWINGS</b>		
Loans repayable on demand		
From Banks		
Secured (Refer Note 1 & 2 below)		
Cash Credit from Banks	541,933,240	1,174,145,681
SBI Corporate Loan	-	15,920,770
	541,933,240	1,190,066,451
Loans and advances from related parties	-	-
Deposits	-	-
Bill discounting		
Secured (Refer Note 1 & 2 below)	92,145,399	12,418,355
Advance received from customers		
Unsecured	43,833,907	70,505,184
<b>Total</b>	<b>677,912,546</b>	<b>1,272,989,991</b>
Notes:-		
1. Secured by hypothecation of stock of raw materials , semi-finished goods, finished goods, packing materials, stores, spares, book-debts & other current assets and further secured by way of extension of charge over immovable properties of the Company.		
2. Further secured by personal guarantees of three Promotor Directors and personal properties of Director & their relatives.		
<b>NOTE NO. " 8 " - TRADE PAYABLES</b>		
Sundry Creditors for Goods	931,878,896	653,951,502
	<b>931,878,896</b>	<b>653,951,502</b>
<b>NOTE NO. " 9 " - OTHER CURRENT LIABILITIES</b>		
Current maturities of Long Term Borrowings (From Note No.4)	242,489,111	177,349,516
Current maturities of finance lease obligation	-	-
Interest accrued but not due on borrowings	-	-
Interest accrued and due on borrowings	-	-
Income received in advance	-	-
Unpaid dividends	457,549	-
Refundable share application money	-	-
Unpaid matured deposits and interest accrued thereon	-	-
Unpaid matured debentures and interest accrued thereon	-	-
Creditors for Capital Expenditure	7,181,412	7,723,936
Sundry Creditors for Expenses	7,733,656	7,358,409
Letter of Credit	-	119,803,309
Other Payables	34,374,322	5,945,613
<b>Total</b>	<b>292,236,050</b>	<b>318,180,783</b>



NISSAN COPPER LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (Contd..)

	31st March 2013 (Rs.)	31st March 2012 (Rs.)
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### NOTE NO. " 10 " - SHORT-TERM PROVISIONS

Provision for employee benefits	418,632	199,947
Other Provisions	35,006,016	20,402,105
Proposed Dividend on Equity Shares	-	-
Corporate Tax on Proposed Dividend	-	-
<b>Total</b>	<b>35,424,648</b>	<b>20,602,052</b>

### NOTE - 11 TANGIBLE FIXED ASSETS

Sr. No.	Description of Assets	Gross Block				Depreciation				Net Block	
		As on 01.04.12	Addition	Deductions	As on 31.03.13	As on 31.03.12	For the Year	Deductions	Upto 31.03.13	AS ON 31.03.13	As on 31.03.12
1	Leasehold Land	275,456	-	-	275,456	-	-	-	-	275,456	275,456
2	Freehold Land	52,307,010	-	-	52,307,010	-	-	-	-	52,307,010	52,307,010
3	Factory Buildings/Sheds	279,215,324	131,950	-	279,347,274	46,818,158	23,234,295	-	70,052,453	209,294,820	232,397,166
4	Plant & Machinery	939,121,234	130,962	-	939,252,196	202,790,030	112,979,866	13,741	315,756,154	623,496,041	736,331,204
5	Electrical Installation	142,107,564	-	-	142,107,564	25,922,834	16,161,296	-	42,084,130	100,023,434	116,184,730
6	Dies & Tools	31,361,031	-	-	31,361,031	25,366,154	1,798,463	-	27,164,617	4,196,414	5,994,877
7	Furniture & Fixture	2,028,167	171,725	-	2,199,892	1,260,409	153,126	-	1,413,535	786,358	767,758
8	Laboratory Equipments	5,495,431	-	-	5,495,431	2,729,438	384,750	-	3,114,188	2,381,243	2,765,993
9	Computers, Printers	3,139,788	17,640	-	3,157,428	2,301,268	342,232	-	2,643,500	513,928	838,520
10	Office Equipments	2,243,748	28,808	-	2,272,556	777,464	207,605	-	985,069	1,287,487	1,466,284
11	Vehicles	14,333,174	-	-	14,333,174	9,265,485	1,328,800	-	10,594,285	3,738,889	5,067,689
	<b>TOTAL</b>	<b>1,471,627,927</b>	<b>481,085</b>	<b>-</b>	<b>1,472,109,012</b>	<b>317,231,240</b>	<b>156,590,433</b>	<b>13,741</b>	<b>473,807,931</b>	<b>998,301,080</b>	<b>1,154,396,687</b>
	Add: Capital Work in Progress	-	-	-	-	-	-	-	-	-	-
	<b>TOTAL</b>	<b>1,471,627,927</b>	<b>481,085</b>	<b>-</b>	<b>1,472,109,012</b>	<b>317,231,240</b>	<b>156,590,433</b>	<b>13,741</b>	<b>473,807,931</b>	<b>998,301,080</b>	<b>1,154,396,687</b>
	Previous Year	698,011,714	775,365,349	1,749,137	1,471,627,927	214,494,921	103,749,307	1,012,988	317,231,240	1,154,396,687	483,516,793
	Add: Capital Work in Progress	555,394,805	215,975,398	771,370,203	-	-	-	-	-	-	555,394,805
	<b>TOTAL</b>	<b>1,253,406,519</b>	<b>991,340,747</b>	<b>773,119,340</b>	<b>1,471,627,927</b>	<b>214,494,921</b>	<b>103,749,307</b>	<b>1,012,988</b>	<b>317,231,240</b>	<b>1,154,396,687</b>	<b>1,038,911,598</b>

Note: None of the Fixed Assets has been revalued during the year

### NOTE - 12 INTANGIBLE FIXED ASSETS

NIL

	31st March 2013 (Rs.)	31st March 2012 (Rs.)
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### NOTE NO. " 13 " - NON-CURRENT INVESTMENTS

Trade Investments	-	-
Investment property	-	-
Investments in Equity instruments (Unquoted)	-	-
Investment in NC Middle East FZE	-	-
[100 % wholly owned Subsidiaries (At Cost)	2,284,221	2,284,221
Investments in Preference shares	-	-
Investments in Government and Trust securities	-	-
Investments in Debentures or bonds	-	-
Investments in Mutual funds	-	-
Investments in Partnership firms	-	-
Other non-current investments	-	-
<b>Total</b>	<b>2,284,221</b>	<b>2,284,221</b>

## NOTES TO THE FINANCIAL STATEMENTS (Contd..)

	31st March 2013 (Rs.)	31st March 2012 (Rs.)
<b>NOTE NO. " 14 " - DEFERRED TAX ASSETS (NET)</b>		
Deferred Tax Liability		
Related to fixed assets	(2,210,775)	(3,728,514)
Amortisation of Preliminary Expenses	(5,298,083)	(4,841,462)
	(7,508,858)	(8,569,976)
<b>Deferred Tax Assets</b>	<b>10,628,217</b>	-
Disallowances under the Income Tax Act	-	-
<b>Total</b>	<b>3,119,359</b>	<b>(8,569,976)</b>

**NOTE NO. " 15 " - LONG TERM LOANS AND ADVANCES**

<b>Capital Advances</b>		
Unsecured, considered good	2,338,673	2,455,472
<b>Security Deposits</b>		
Unsecured, considered good	5,018,115	4,472,765
<b>Loans and advances to related parties</b>		
Unsecured, considered good	1,264,825,411	1,160,632,637
<b>Other Loans and advances</b>		
Secured, considered good	13,800,000	-
<b>Tax paid in advance including tax deducted at source</b>		
Unsecured, considered good	185,771,615	184,137,414
<b>Total</b>	<b>1,471,753,814</b>	<b>1,351,698,288</b>

**NOTE NO. " 16 " - OTHER NON-CURRENT ASSETS**

Long term trade receivables	-	-
Preliminary Expenditure	36,158,108	47,052,252
<b>Total</b>	<b>36,158,108</b>	<b>47,052,252</b>

**NOTE NO. " 17 " - CURRENT INVESTMENTS**

Investments in Equity instruments	-	-
Investments in Preference shares	-	-
Investments in Government and Trust securities	-	-
Investments in Debentures or bonds	-	-
Investments in Mutual funds	-	-
Investments in Partnership firms	-	-
Other current investments	-	-
<b>Total</b>	<b>-</b>	<b>-</b>



**NISSAN COPPER LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (Contd..)**

	31st March 2013 (Rs.)	31st March 2012 (Rs.)
<b>NOTE NO. " 18 " - INVENTORIES</b>		
Raw materials	8,714,044	75,835,923
Work in progress	365,242,141	455,100,572
Finished goods	139,406,339	63,782,407
Stock in trade	-	-
Stores and spares	9,383,030	9,988,994
Loose Tools	-	-
<b>Total</b>	<b>522,745,553</b>	<b>604,707,895</b>
<b>NOTE NO. " 19 " - TRADE RECEIVABLES</b>		
Unsecured, considered good		
Over Six months	1,387,594,345	304,893,459
Others	324,585,718	1,167,962,352
Less: Allowance for Bad debts	-	-
<b>Total</b>	<b>1,712,180,063</b>	<b>1,472,855,811</b>
<b>NOTE NO. " 20 " - CASH AND BANK BALANCES</b>		
Cash & Cash Equivalents		
Balances with banks	3,666,798	13,307,910
Cheques, drafts on hands	-	-
Cash on hand	1,114,864	1,249,152
Other Bank Balances		
Unpaid Dividend Account	457,549	-
Balances with banks to the extent held as margin money	1,923,183	50,167,986
Bank Deposits with more than 12 months maturity	11,470,149	1,093,340
<b>Total</b>	<b>18,632,543</b>	<b>65,818,387</b>
<b>NOTE NO. " 21 " - SHORT TERM LOANS AND ADVANCES</b>		
Loans and advances to related parties	-	-
<b>Loan to Employees</b>		
Unsecured, considered good	101,050	83,850
<b>Security Deposits</b>		
Unsecured, considered good	405,743	2,998,651
<b>Advance for Creditors for Expenses</b>		
Unsecured, considered good	870,111	1,174,549
<b>Advance for Creditors for goods</b>		
Unsecured, considered good	281,916,700	236,382,321
<b>Capital Advances recoverable</b>		
Unsecured, considered good	44,165,308	52,337,074
<b>Balance with Excise/ Custom Authorities</b>		
Unsecured, considered good	11,838,120	8,308,739
<b>Other *</b>		
Unsecured, considered good	56,908,626	98,337,950
<b>Total</b>	<b>396,205,658</b>	<b>399,623,135</b>

\* Includes primarily loans to various parties, prepaid expenses and interest accrued on FD

## NOTES TO THE FINANCIAL STATEMENTS (Contd..)

	31st March 2013 (Rs.)	31st March 2012 (Rs.)
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## NOTE NO. " 22 " - OTHER CURRENT ASSETS

Preliminary Expenditure	10,894,144	10,894,149
<b>Total</b>	<b>10,894,144</b>	<b>10,894,149</b>

## NOTE NO. " 23 " - REVENUE FOR OPERATION

Sale of products	577,241,560	2,886,659,737	
Sale of services	551,394	577,792,954	1,020,582
Other operating revenues		-	-
Less: Excise Duty	(7,395,407)		(72,863,992)
<b>Total</b>	<b>570,397,547</b>		<b>2,814,816,327</b>

## NOTE NO. " 24 " - OTHER INCOME

Interest income	45,368,112		55,353,412
Dividend income	-		-
Net gain/ loss on sale of investments	-		-
Profit on Sale of Assets	-		36,240
Other non-operating income (net of expenses directly attributable to such income)	-		-
Profit on trading in derivatives	-	(1,253,808)	
Less: Charges on trading in derivatives	-	(88,100)	(1,341,907)
Other non-operating income	2,003,940		165,483
<b>Total</b>	<b>47,372,052</b>		<b>54,213,228</b>

## NOTE NO. " 25 " - COST OF MATERIAL CONSUMED/SOLD

Opening Stock	75,835,923		255,087,796
Add : Purchases	(22,372,698)	53,463,224	586,936,423
Less : Closing Stock		(8,714,044)	(75,835,923)
<b>Total</b>	<b>44,749,181</b>		<b>766,188,296</b>

RAW-MATERIAL CONSUMPTION	2012-13	2011-12
Copper Cathode	903,854	411,860,557
Copper Scrap/Ingots/Other	43,845,327	354,327,739
	<b>44,749,181</b>	<b>766,188,296</b>

PURCHASE	Raw-Material		Traded Goods	
	2012-13	2011-12	2012-13	2011-12
Copper Cathode	903,854	374,756,557		
Copper Scrap/Ingots/Other	(23,276,553)	212,179,866		
Copper Pipes			484,643,635	1,490,514,193
Copper Section/Flats/Rod/Bar/Strip			12,743,987	64,382,944
Other Products			90,518,385.00	325,817,746
<b>Total</b>	<b>(22,372,698)</b>	<b>586,936,423</b>	<b>587,906,007</b>	<b>1,880,714,883</b>



# NISSAN COPPER LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (Contd..)

	31st March 2013 (Rs.)	31st March 2012 (Rs.)
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### NOTE NO. " 26 " - PURCHASE OF STOCK-IN-TRADE

Purchase of Stock - in - Trade

Imported

Indigenous

587,906,007

587,906,007

1,880,714,883

1,880,714,883

### Imported and Indigenous Raw Materials and Stock-in-Trade Consumed

Particulars	% of Consumption	Value (Rs.)	% of Consumption	Value (Rs.)
Imported	66.43	29,728,166	3.82	101,194,305
Indigenously Obtained	33.57	15,021,015	96.18	2,545,708,875
<b>Total</b>	<b>100.00</b>	<b>44,749,181</b>	<b>100.00</b>	<b>2,646,903,180</b>

### NOTE NO. " 27 " - MANUFACTURING AND OPERATING COSTS

Processing Charges

Power and fuel

Stores & Spares

Other Manufacturing Expenses

Repairs & Maintenance

Buildings

Machinery

Freight, Clearing and Handling Expenses

-

11,316,605

1,360,096

483,145

58,313

567,843

626,156

295,599

14,081,602

651,064

27,834,722

10,136,121

6,342,562

182,465

3,452,646

3,635,111

3,409,176

52,008,755

### Imported and Indigenous Stores & Spare Parts Consumed

Particulars	% of Consumption	Value (Rs.)	% of Consumption	Value (Rs.)
Imported	16.72	1,453,773	16.72	1,453,773
Indigenously Obtained	83.28	7,911,071	83.28	7,911,071
<b>Total</b>	<b>100.00</b>	<b>9,364,844</b>	<b>100.00</b>	<b>9,364,844</b>

### NOTE NO. " 28 " - INCREASE/(DECREASE) IN STOCK

Stock at close:

Work in Process

Finished Goods

365,242,141

139,406,339

504,648,479

455,100,572

63,782,407

518,882,979

Less: Stock at commencement:

Work in Process

Finished Goods

**Total**

455,100,572

63,782,407

(518,882,979)

(14,234,500)

184,599,107

64,595,736

(249,194,843)

269,688,137

SALES	2012-13	2011-12
Copper Pipes	496,730,287	2,072,529,252
Copper Section/Flats/Rod/Bar/Strip	12,896,451	124,745,817
Copper Ingots/Billet Bar	12,958,512	210,521,103
Other Products	47,260,904	405,999,573
<b>Total</b>	<b>569,846,154</b>	<b>2,813,795,745</b>
Sales Products	577,241,561	2,886,659,737
Less : Excise	(7,395,407)	(72,863,992)
<b>Net Sales</b>	<b>569,846,154</b>	<b>2,813,795,745</b>

## NOTES TO THE FINANCIAL STATEMENTS (Contd..)

Finished Goods	2012-13		2011-12	
	Opening	Closing	Opening	Closing
Copper Pipes	61,872,136	79,953,231	51,258,100	61,872,136
Copper Section/Mother Tube/Flats/Rods/Wire Bars	-	111,688	-	-
Copper Ingots/Billet Bars	-	6,963,200	13,337,636	-
Other Products	1,910,271	52,378,221	-	1,910,271

31st March 2013  
(Rs.)31st March 2012  
(Rs.)

## NOTE NO. " 29 " - EMPLOYEE BENEFITS EXPENSE

Salaries and wages	17,841,705	34,417,405
Contribution to provident and other funds	2,250,318	2,507,017
Expense on Employees stock option scheme (ESOP) and- Employee stock purchase plan (ESPP)	-	-
Staff welfare expenses	1,995,656	2,027,097
<b>Total</b>	<b>22,087,679</b>	<b>38,951,519</b>

## NOTE NO. " 30 " - FINANCE COST

Interest expenses *	276,802,567	211,510,875
Other borrowing costs	3,794,873	31,154,004
Applicable net gain/ loss on foreign currency transactions- /translation	940,985	1,278,091
<b>Total</b>	<b>281,538,425</b>	<b>243,942,969</b>

\* Includes Interest on Direct Tax

## NOTE NO. " 31 " - DEPRECIATION &amp; AMORTISATION EXPENSES

Depreciation and Amortization	156,576,692	103,621,436
<b>Total</b>	<b>156,576,692</b>	<b>103,621,436</b>



**NISSAN COPPER LIMITED**

## NOTES TO THE FINANCIAL STATEMENTS (Contd..)

	31st March 2013 (Rs.)	31st March 2012 (Rs.)
<b>NOTE NO. " 32 " - OTHER EXPENSES</b>		
Bank Charges - Admin	117,301	2,441,753
Rent	11,994,704	11,143,859
Insurance	1,368,135	2,380,075
Rates and Taxes, excluding taxes on income	718,700	324,922
Legal & Professional Fees	6,366,308	3,487,200
Auditors Remuneration	975,000	1,084,274
Travelling & Conveyance Expenses	883,986	1,914,303
Vehicle Maintenance Expenses	1,025,385	3,336,224
Postage & Telephone Expenses	1,246,387	1,574,885
Printing & Stationery	264,503	949,844
Brokerage, Commission & Discounts	-	25,610
Rebates & Discounts	70,598,072	(57,626)
Other Expenses	1,832,641	4,497,506
Repairs & Maintenance (indirect)	322,909	332,625
Sales Promotion Expenses	217,049	1,001,653
Advertising & Publicity Expenses	247,864	434,803
Freight outward & Forwarding Charges	476,557	430,834
Interest on Purchase	4,054,855	18,801,578
Interest on Indirect Tax	135,675	153,314
Margin money (LC & BG) - SBI written off	2,402,268	-
Margin money (LC & BG) - SBOP written off	32,769	-
Interest Margin on LC Receivable written off	21,540	-
Preliminary Expenses Written off	10,894,149	10,894,149
<b>Total</b>	<b>116,196,757</b>	<b>65,151,784</b>

Payment to Auditors	31st March 2013 (Rs.)		31st March 2012 (Rs.)	
<b>Auditor Fees*</b>				
Statutory Audit	575,000		646,070	
Tax Audit	275,000		308,990	
Internal Audit	65,000		73,034	
Transfer pricing Audit	60,000	975,000	56,180	1,084,274
Certification, consultation fees and other services **		105,608		403,297
		<b>1,080,608</b>		<b>1,487,571</b>

\*Current year figures are excluding services tax amount.

\*\* Certification, consultation fees and other services is included under Legal and Professional fees.



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

33. During the F Y 12-13 the company decided to make a proposal to Corporate Debt Restructuring cell (CDR) in order to reschedule its debts in line with the projected potential earnings. The said proposal was approved by the CDR – EG and the final letter of approval was received on 24.01.2013. The Master Restructuring Agreement between the Company and Consortium lenders was signed on 30.03.2013, cut - off date being 01.04.2012. Sanction letter of consortium bankers for restructured debts was received on 30.03.2013. Effect for the restructured debts have been given in the said financial statements as per the sanction letters given.

## 34. Foreign Currency Transaction

	2012-13	2011-12
<b>(A) C.I.F. Value of Imports</b>		
i. Raw Material	5,483,400	90,162,344
ii. Stores & Spare Parts	-	8,370,021
iii. Capital Goods	-	184,548
<b>(B) Expenditure in Foreign Currency (accrual basis)</b>		
i. Preliminary Expenses GDR	-	-
ii. Legal & Professional Fees GDR	-	-
iii. Salary Expense	-	497,503
iv. Preliminary Expenditure (ACR Plant)	-	789,594
v. Packing Material	-	1,816,764
vi. Lubricant Oil	-	-
v. Remittance to NC Middle East FZE(Loans & Advances)	-	218,115,867
vi. Investment in N C Middle East FZE (Wholly owned subsidiary)	-	-
<b>(C) Earnings in Foreign Currency (accrual basis)</b>		
i. Interest receivable on Loan to N C Middle East FZE	30,932,314	26,721,348.30
ii. Export at FOB Value	-	5,255,847

## 35. Details of dues to micro and small Enterprises as defined under the MSMED Act, 2006.

	2012-13	2011-12
Principal Amount due to Micro and Small enterprises (Shree Laxmi Tubes)	416,008	416,008
Interest due on above - -	-	-
<b>Total</b>	<b>416,008</b>	<b>416,008</b>

## 36. Contingent Liabilities

	2012-13	2011-12
Bank Guarantees (net of margin)	4,796,066	77,646,808
Sales Bill Factoring	291,056,120	183,675,493
Excise Duty F.Y 2006-07	85,904,087	85,904,087
Excise Duty F.Y 2006-07 (Penalty)	85,904,087	85,904,087
Income Tax Appeal – AY 04-05	761,217	761,217
Income Tax Appeal – AY 06-07 (Penalty)	-	330,426
Income Tax Appeal – AY 04-05 (Penalty)	396,528	-
<b>Total Statutory Disputed Dues</b>	<b>172,965,919</b>	<b>172,899,817</b>
<b>Total Contingent Liabilities</b>	<b>468,818,105</b>	<b>426,210,633</b>



**NISSAN COPPER LIMITED**

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

37. The search & seizure action u/s. 132(1) which was carried out on 17.01.2009 resulted into a total demand of Rs. 280,335,020/- for the AY 2003-04 to AY 2009-10. Out of the total demand, company has paid Rs. 95,274,581/- upto 31.03.2012. The company had filed an appeal with the CIT (A) for the demand raised. The Ld. CIT (A) has pronounced the orders in the company's favour, except minimal disallowances. The Company has filed further appeal with the Hon'ble Tribunal for AY 2004-05 on 17.04.2012 as the company do not agree to the disallowances made by Ld. CIT (A). The total disputed amount for the said year is Rs.761, 217/-, which the company has already paid but provision for the same has not been made, hence it is shown as contingent liability.
38. For Ay 2004-05, penalty of Rs.396, 528/- was levied u/s. 271(1)( c) of the Income Tax Act, 1961 vide order dated 26.03.2013. Our Company has filed an appeal with CIT (A) on 15.04.2013 as disagree on Income Tax department's view.
39. For AY 2010-11, company's return of income was processed u/s. 143(1) and on a regular scrutiny order passed u/s. 143(3) demanding tax of Rs.38,454,130/-. Provision for the said amount has been done in the books. In response to the Income Tax Department our Company has filed an appeal with the CIT (A) on 15.04.2013 against demand raised.
40. For the FY 2006-07, Central Excise, Customs and Service Tax Commissionerate, Vapi levied penalty of Rs. 85,904,087/- under Cenvat Credit Rules, 2004 of Central Excise Act, 1944. The Company has filed an appeal with Hon'ble CESTAT for the said demand as the Company does not agree with the same. So the whole amount raised as demand remains disputed.
41. A search action u/s. 64 of the Maharashtra Value Added Tax Act, 2002, was carried on 06.07.2012 which resulted in a total VAT demand of Rs. 20,507,763/- . The company has made full provision of the said amount alongwith interest payable of Rs. 6,340,130/- and penalty payable of Rs. 4,974,788/-. Hence, the same is not shown as contingent liability. During the year, company has paid Rs.2, 150,000/- of the total demand.
42. There are 2 cases filed against the company before Gujarat High court u/s 433 r. w. 434 of Companies Act, 1956. Further 2 cases are filed u/s 138 of Negotiable Instrument Act. The amount payable to the parties is standing in the books
43. **Segment Information**
- (a) The Company deals in Copper Products and is treated as the only segment.
- (b) Secondary Segment – Geographical by Sale

Segment Revenue	2012-13	2011-12
In India	576,567,616	2,882,424,472
Outside India	673,944	5,255,847
<b>Total</b>	<b>577,241,560</b>	<b>2,887,680,319</b>

## 44. Related Party Disclosures

### (i) Name of the related parties and related party relationship

- (a) Individuals Controlling the Enterprise and Key Management Personnel
- |                           |                    |
|---------------------------|--------------------|
| Mr. Sanjay S. Mardia      | Chairman           |
| Mr. Ratanlal S. Mardia    | Managing Director  |
| Mr. Atul S. Mardia        | Executive Director |
| Mr. Praveen Kumar H. Shah | Director           |
| Mr. Shailesh H. Shah      | Director           |
| Mr. Nitin Mehta           | Director           |
- (b) Relatives of Key Management Personnel
- |                       |                           |
|-----------------------|---------------------------|
| Mr. Shantilal Mardia  | Father of Chairman        |
| Mrs. Bela S. Mardia   | Wife of Chairman          |
| Mrs. Sunita R. Mardia | Wife of Managing Director |

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013**

- (c) Enterprises in which key management personnel & their relatives are interested.

Danial Investment Private Limited

NC Middle East FZE

Note: Related party relationship on the basis of the requirements of Accounting Standard 18 (AS-18) as in 1(a), 1(b) &amp; 1(c) above is relied upon by the auditors.

**(ii) Related party Transactions**

The Following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

- a. Sale / Purchase of goods and services – Not Applicable.

**b. Loans given and repayment thereof**

Particulars	Year Ended	Loans given	Repayment	Interest Accrued	Amount owed by related parties
<b>Enterprises owned or significantly influenced by key management personnel or their relatives</b>					
Danial Investment Pvt Ltd	31st March, 2013	NIL	NIL	NIL	NIL
	31st March, 2012	31,222,230	32,914,461	1,880,257	Nil
NC Middle East FZE	31st March, 2013	NIL	NIL	30,932,314	1,264,825,411
	31st March, 2012	218,115,867	NIL	26,721,348	1,160,632,637
<b>Key Managerial persons and Relatives of Key Managerial Personnel</b>	NA	NA	NA	NA	NA

Note: The amount of Rs. 1,264,825,411/- (P.Y. Rs. 1,160,632,637/-) shown as outstanding receivable is after adjusting foreign exchange translation reserve of 73,260,460/- (PY 145,627,073/-)

**c. Loans taken and repayment thereof**

Particulars	Year Ended	Loans given	Repayment	Interest Accrued	Amount owed by related parties
<b>Enterprises owned or significantly influenced by key management personnel or their relatives</b>					
Danial Investments Pvt Ltd	31st March, 2013	63,391,649	21,880,283	-	41,511,366
<b>Relatives of Key Managerial Personnel</b>					
Ratanlal Mardia	31st March, 2013	22,961,716	17,607	-	22,944,109
Sanjay Mardia	31st March, 2013	13,855,422	5,790,254	-	8,065,168
Atul Mardia	31st March, 2013	15,80,000	-	-	1,580,000
Sunita Mardia	31st March, 2013	16,557,502	-	-	16,557,502

All the above unsecured loans brought into by the system as on 31st March, 2013 by the promoter's are considered to be promoter's Contribution as per the CDR norms.



## NISSAN COPPER LIMITED

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

#### d. Other Transactions

Nature of Transaction	2012-13		2011-12	
	Referred in (i) (a &b)	Referred in (i) (c)	Referred in (i) (a &b)	Referred in (i) (c)
<b>Income :</b>	-	-	-	-
Interest	-	30,932,314	-	28,601,605
<b>Expenses :</b>				
Remuneration	1,200,000	-	14,400,000	-
Interest	-	-	-	-
Advertisement	-	-	-	-
Reimbursement of expenses	-	357,605	164,975	-
<b>Finance &amp; Investment:</b>				
Loan & Advances Recd.	-	118,346,289	-	33,102,487
Loan & Advances Paid	-	27,688,144	-	251,218,354
<b>Outstandings :</b>				
Payable	-	90,658,145	-	-
Receivable		1,264,825,411	-	1,160,632,637

Note: The amount of Rs. 1,264,825,411/- (P.Y. Rs. 1,160,632,637/-) shown as outstanding receivable is after adjusting foreign exchange translation reserve of Rs.73, 260,460/- (P.Y. Rs. 145,627,073/-)

#### 45. Leases

Disclosure as required by Accounting Standard 19, "Leases", issued by the Institute of Chartered Accountants of India are given below:

- (i) Lease payments are recognised in the statement of Profit & Loss Account under "Rent" in Note No. 32. Company with effect from September 2012 has shifted its corporate office. The said Agreement is for a period of 3 years.
- (ii) The future minimum lease payments under non-cancellable operating lease
  - Not later than one year: Rs. 7,781,400/-
  - Later than one year and not later than five years: Rs. 11,672,100/-

#### 46. Deferred Tax

The break up of net deferred tax asset and liability into major components at the year end is as below:

Particulars	Liabilities		Assets	
	2012-13	2011-12	2012-13	2011-12
Depreciation	2,210,774	3,728,514	-	-
Expenses	5,298,083	4,841,462		
Business loss			10,628,216	
<b>Total</b>	<b>7,508,857</b>	<b>8,569,976</b>	<b>-</b>	<b>-</b>
<b>Net Deferred Tax Liability/ Asset</b>	<b>-</b>	<b>8,569,976</b>	<b>3,119,358</b>	<b>-</b>

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013**

47. Sales & Services include Rs. 509,426,609/- (Previous Year - Rs. 2,111,350,642/-) for traded goods.

**48. Computation of Earning per share (Basic & Diluted)**

	2012-13	2011-12
Profit after taxation	720,236,101)	(1,91,97,041)
Weighted average number of Share Outstanding	6,28,55,905	6,28,55,905
Nominal Value per Share	10	10
Earning per Share – Basic	(11.46)	(0.31)
- Diluted	(11.46)	(0.31)

49. The outstanding balances of Sundry Debtors, Sundry Creditors, Deposits, Loans and Advances & Loans Liabilities are subject to confirmation.

50. All the amounts are stated in Indian Rupees, unless otherwise stated.

51. Previous years figures are regrouped and rearranged wherever necessary.

As per our Report of even date  
For R.C. JAIN & ASSOCIATES  
Chartered Accountants  
FRN No: 103952W  
Sd/-  
R C Jain  
Partner  
M. No. 038096  
Place : Mumbai  
Date:30.05.2013

For and on behalf of the Board

Sd/-  
Ratanlal S. Mardia  
Managing Director

Sd/-  
Sanjay S. Mardia  
Chairman



**NISSAN COPPER LIMITED**

**CASH FLOW STATEMENT FOR THE YEAR ENDED, 31st MARCH, 2013**

Particulars	31st March 2013 (Rs.)	31st March 2012 (Rs.)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Profit/(Loss) before exceptional and extraordinary items and tax	(619,601,242)	(11,861,952)
Adjustments for :		
Depreciation	156,576,692	103,621,436
(Profit)/Loss on sale of Assets	-	(36,240)
Loss on Redemption of Mutual fund	-	-
(Profit)/Loss on trading in future	-	1,341,907
Exchange rate fluctuation	940,985	1,278,091
(Profit)/Loss on Forward contract Cancellation	-	-
Preliminary Expenses W/off	10,894,149	10,894,149
Interest expense	282,784,029	261,619,771
Interest income	(42,911,534)	(55,353,412)
<b>Operating Profit before working capital changes</b>	<b>(211,316,921)</b>	<b>323,365,702</b>
Movements in working capital		
(Increase) / Decrease in Trade and Other Receivables	(258,253,673)	(352,713,125)
(Increase) / Decrease in Inventories	81,962,343	(96,451,252)
Increase / (Decrease) in Trade Payable & Other Liabilities	324,828,841	280,520,057
<b>Cash generated Before Exceptional Items</b>	<b>(62,779,410)</b>	<b>142,859,430</b>
Exceptional items	-	-
Cash generated from operating activities	(62,779,410)	142,859,430
Direct Taxes paid	6,484,145	(67,274,581)
<b>Net Cash generated from / (used in) operating activities (A)</b>	<b>(56,295,265)</b>	<b>75,584,849</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Proceeds from sale of Fixed Assets	-	275,000
Purchase of Fixed Assets/Capital Expenditure	(481,085)	(63,081,899)
Borrowing Costs incurred during the year Capitalised	-	(36,877,890)
Investment in bank deposits (having original maturity of more than 3 months)	25,962,976	(8,771,703)
Redemption/Maturity of bank deposits (having original maturity of more than 3 months)	11,905,018	11,092,340
Loan to wholly owned subsidiary	(104,192,774)	(390,464,289)
Foreign Currency Translation reserve	73,287,307	145,604,015
Redemption of Mutual Funds	-	-
Investment in wholly owned subsidiary	-	-
Interest received	42,911,534	55,353,412
<b>Net cash flow from / (used in) investing activities (B)</b>	<b>49,392,976</b>	<b>(286,871,014)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Equity Warrant Money / GDR proceeds	-	-
Proceeds from long term borrowings	1,190,668,120	321,651,515
Repayment of long term borrowings	(194,016,021)	(307,917,283)
Proceeds from short term borrowings	143,013,856	1,751,735,366
Repayment of short term borrowings	(831,223,334)	(1,503,406,657)
Expense incurred during the year for ACR plant (written off over 5 years)	-	(25,812,848)
Loss on forward contract cancellation	-	-
Interest & Other Financial Charges Paid	(282,784,029)	(261,619,771)
Dividends Paid	-	-
Corporate tax on dividend paid	-	-
Share Issue / GDR Expenses	-	-
Cash generated Before Exceptional Items	25,658,592	(25,369,678)
Exceptional items	(28,074,153)	-
<b>Net cash flow from / (used in) financing activities (C)</b>	<b>(2,415,561)</b>	<b>(25,369,678)</b>

**CASH FLOW STATEMENT FOR THE YEAR ENDED, 31st MARCH, 2013**

Particulars	31st March 2013 (Rs.)	31st March 2012 (Rs.)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	<u>(9,317,850)</u>	<u>(236,655,844)</u>
Opening Balance of Cash and Cash Equivalents	14,557,061	251,212,905
Closing Balance of Cash and Cash Equivalents	<u>5,239,211</u>	<u>14,557,061</u>
	<u><b>(9,317,850)</b></u>	<u><b>(236,655,844)</b></u>

**Notes:**

- Components of Cash & Cash Equivalents
 

Cash on hand	1,572,413	1,249,152
Balances with banks	3,666,798	13,307,910
(A)	<u>5,239,211</u>	<u>14,557,061</u>
Other Bank Balances		
Balances with banks to the extent held as margin money	1,923,183	50,167,986
Bank Deposits with more than 12 months maturity	<u>11,470,149</u>	<u>1,093,340</u>
(B)	<u>13,393,332</u>	<u>51,261,326</u>
Cash & Bank Balances as per Balance Sheet (Note No. 20) (A + B)	<u><b>18,632,543</b></u>	<u><b>65,818,387</b></u>
- The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard - 3 on Cash Flow Statement issued by ICAI
- Net Profit on trading in futures and Loss on trading in MCX has been adjusted with Trade and other Receivables.
- Exchange Rate Fluctuation has been adjusted with Trade payables and other liabilities.
- Previous period's figures have been regrouped and rearranged wherever necessary to confirm to the current year's classification.
- Figures in the brackets represents outflows.

**For and on behalf of the Board**

	<b>Sd/-</b>	<b>Sd/-</b>
<b>Place : Mumbai</b>	<b>Ratanlal S. Mardia</b>	<b>Sanjay S. Mardia</b>
<b>Date: 30.05.2013</b>	<b>Managing Director</b>	<b>Chairman</b>

**AUDITOR'S REPORT**

We have examined above Cash Flow Statement of Nissan Copper Ltd. (the Company) for the year ended 31st March, 2013. The statement has been prepared by the company in accordance with the requirements of Listing agreements Clause 32 with Stock Exchange and is based on and in agreement with the corresponding Profit & Loss Account and Balance Sheet of the Company covered by our report of even date to the members of the Company.

**For R.C.JAIN & ASSOCIATES**  
**Chartered Accountants**  
**FRN No: 103952W**

**Sd/-**

**(R C Jain)**  
**Partner**

**Place : Mumbai**  
**Date: 30.05.2013**



**NISSAN COPPER LIMITED**

**STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956,  
RELATING TO SUBSIDIARY COMPANIES**

1	Name of the Subsidiary Company	NC Middle East FZE
2	Date on which it became subsidiary	8th April, 2010
3	Financial Year of the subsidiary ended on	31.03.2013
4	Shares of the subsidiary held by Nissan Copper Ltd on the above dates	
	i) Number & Face value	1 Equity Share of AED 1,85,000/-
	ii) Extent of holding	100%
5	The net aggregate of loss of the subsidiary company for the financial year, so far as they concern the members of Nissan copper ltd were:	
	i) Dealt with in the accounts of Nissan Copper Ltd for the year ended 31/03/2013	Nil
	ii) Not dealt with in the accounts of Nissan Copper Ltd for the year ended 31/03/2013	USD 5,96,495/- ( Equivalent to Rs.3,13,02,199/-)
6	The net aggregate of profits of the subsidiary company for the previous financial years, so far as they concern the members of Nissan copper ltd were:	
	i) Dealt with in the accounts of Nissan Copper Ltd for the year ended 31/03/2012	Nil
	ii) Not dealt with in the accounts of Nissan Copper Ltd for the year ended 31/03/2012	USD 5,49,267/- ( Equivalent to Rs.2,40,85,696/-)

**For and on behalf of the Board**

**Place : Mumbai  
Date : 30th May, 2013**

**Sd/-  
Ratanlal S. Mardia  
Managing Director**

**Sd/-  
Sanjay Mardia  
Chairman**



# Consolidated Financial Statement



**NISSAN COPPER LIMITED**

## **INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS TO THE BOARD OF DIRECTORS OF NISSAN COPPER LIMITED**

### **Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of Nissan Copper Limited, the parent company and its subsidiary as at 31st March 2013, which comprise the Consolidated Balance sheet, Consolidated Profit and Loss Account and also the Consolidated 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 consolidated financial position, consolidated financial performance and consolidated 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 consolidated 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 consolidated 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 consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated financial statements.

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

### **Opinion**

We report that the consolidated financial statements have been prepared by the company in accordance with the requirements of Accounting Standard (AS) 21 - "Consolidated Financial Statements"

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditor on the separate financial statements of the subsidiary and management representation letter, we are of the opinion that:

- a) The Consolidated Balance Sheet gives a true and fair view of the state of affairs as at 31st March 2013;
- b) The Consolidated Profit and Loss Account gives a true and fair view of the loss for the year then ended; and
- c) The Consolidated Cash Flow Statement gives a true and fair view of the cash flows for the year then ended.

### **Emphasis of Matter**

1. The Financial Statements of NC Middle East FZE., U.A.E, the wholly owned foreign subsidiary of the Parent Company have been audited by other Auditor whose reports have been furnished to us and our opinion in respect of this subsidiary is based solely on the report of the auditor and the representation of the Company. The audited financial statements of NC Middle East FZE., U.A.E reflects the total assets of Rs. 12193.24 Lakhs as at 31st March 2013 and total revenue loss of Rs. 313.02 Lakhs for the year then ended.

## **ANNUAL REPORT 2012-13**

2. During the F Y 12-13, Nissan Copper Limited, the parent company decided to make a proposal to Corporate Debt Restructuring cell (CDR) in order to reschedule its debts in line with the projected potential earnings. The said proposal was approved by the CDR – EG and the final letter of approval was received on 24.01.2013. The Master Restructuring Agreement between the parent Company and Consortium lenders was signed on 30.03.2013 cut - off date being 01.04.2012. Sanction letter for restructured debts was received by the consortium bankers on 30.03.2013. Effects for the restructured debts have been given in the consolidated financial statements as per the sanction letters given.

Our opinion is not qualified in respect of this matter.

**Place:** - Mumbai  
**Date:** 30th May, 2013

**For R.C. JAIN & ASSOCIATES**  
**Chartered Accountants**  
**FRN No. 103952W**  
**Sd/-**  
**R.C.Jain**  
**(Partner)**  
**M. NO.038096**



**NISSAN COPPER LIMITED**

## CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2013

Particulars	Note No.	31st March 2013 (Rs.)	31st March 2012 (Rs.)
<b>I. EQUITY AND LIABILITIES</b>			
(1) Shareholders' Funds			
(a) Share Capital	2	628,559,050	628,559,050
(b) Reserves and Surplus	3	880,795,254	1,560,987,077
(c) Money received against share warrants	-	1,509,354,304	2,189,546,127
(2) Share application money pending allotment		-	-
(3) Non-Current Liabilities			
(a) Long-term borrowings	4	1,458,654,289	527,141,787
(b) Other Long term liabilities	5	-	-
(c) Long-term provisions	6	218,625,977	103,403,805
(4) Current Liabilities			
(a) Short-term borrowings	7	677,912,546	1,272,989,991
(b) Trade payables	8	931,878,896	653,951,502
(c) Other current liabilities	9	292,236,050	318,517,133
(d) Short-term provisions	10	35,469,229	20,699,892
<b>Total</b>		<b>5,124,131,292</b>	<b>5,086,250,236</b>
<b>II. ASSETS</b>			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	11	998,301,080	1,154,396,687
(ii) Intangible assets	12	-	-
(iii) Capital work-in-progress		-	-
(iv) Intangible assets under development		-	-
(b) Non-current investments	13	-	-
(b) Deferred tax assets (Net)	14	3,119,359	(8,569,976)
(c) Long term loans and advances	15	206,928,403	191,065,651
(d) Other non-current assets	16	36,158,108	47,052,252
(2) Current assets			
(a) Current Investments	17	-	-
(b) Inventories	18	522,745,553	604,707,895
(c) Trade receivables	19	2,143,637,268	1,878,760,306
(d) Cash and Bank Balances	20	18,947,624	65,985,013
(e) Short-term loans and advances	21	1,183,301,629	1,141,599,751
(f) Other current assets	22	10,992,268	11,252,654
<b>Total</b>		<b>5,124,131,292</b>	<b>5,086,250,236</b>
Summary of Significant Accounting Policies	1		
Notes on Financial Statements	2 to 51		
The accompanying notes are an integral part of the financial statements			

As per our Report of even date

For R.C. JAIN & ASSOCIATES

Chartered Accountants

FRN No: 103952W

Sd/-

R C Jain

Partner

M. No. 038096

Place : Mumbai

Date:30.05.2013

For and on behalf of the Board

Sd/-

Ratanlal S. Mardia  
Managing Director

Sd/-

Sanjay S. Mardia  
Chairman

## STATEMENT OF CONSOLIDATED PROFIT &amp; LOSS FOR THE YEAR ENDED 31st MARCH, 2013

Particulars	Note No.	31st March 2013 (Rs.)	31st March 2012 (Rs.)
I. Gross Sales		577,792,954	2,968,463,597
Less : Excise Duty		(7,395,407)	(72,863,992)
Revenue from operations	23	570,397,547	2,895,599,605
II. Other Income	24	16,439,738	27,491,880
III. Total Revenue (I + II)		<u>586,837,285</u>	<u>2,923,091,485</u>
IV. Expenses:			
Cost of materials consumed	25	44,749,181	766,188,296
Purchase of Stock-in-Trade	26	587,906,007	1,927,191,825
Manufacturing & Operating Costs	27	14,081,602	52,008,755
Increase or Decrease in inventories of finished goods, work-in-progress and Stock-in-Trade	28	14,234,500	(238,946,067)
Employee benefit expense	29	22,822,129	39,578,315
Finance Costs	30	281,538,425	243,942,969
Depreciation and amortization expense	31	156,576,692	103,621,436
Other expenses	32	117,001,753	65,723,548
<b>Total Expenses</b>		<b><u>1,238,910,287</u></b>	<b><u>2,959,309,078</u></b>
V. Profit before exceptional and extraordinary items and tax (III - IV)		(652,073,002)	(36,217,594)
VI. Exceptional Items		-	-
VII. Profit before extraordinary items and tax (V - VI)		(652,073,002)	(36,217,594)
VIII. Extraordinary Items		28,074,153	-
IX. Profit before tax (VII - VIII)		<u>(680,147,155)</u>	<u>(36,217,594)</u>
X. Tax expense:			
(1) Current tax		-	-
(2) Excess / Short provision of tax for earlier years		84,250,041	-
(2) Deferred tax		(11,689,335)	7,335,089
XI. Profit/(Loss) from the period from continuing operations (IX-X-XIV)		(752,707,862)	(43,552,683)
XII. Profit/(Loss) from discontinuing operations		-	-
XIII. Tax expense of discounting operations		-	-
XIV. Profit/(Loss) from Discontinuing operations (XII - XIII)		-	-
XV. Profit/(Loss) for the period (XI + XIV)		<u>(752,707,862)</u>	<u>(43,552,683)</u>
XVI. Earning per equity share:			
(1) Basic		(11.98)	(0.69)
(2) Diluted		(11.98)	(0.69)
Summary of Significant Accounting Policies	1		
Notes on Financial Statements	2 to 51		
The accompanying notes are an integral part of the financial statements			

As per our Report of even date

For and on behalf of the Board

For R.C. JAIN &amp; ASSOCIATES

Chartered Accountants

FRN No: 103952W

Sd/-

R C Jain

Partner

M. No. 038096

Place : Mumbai

Date:30.05.2013

Sd/-

Ratanlal S. Mardia  
Managing Director

Sd/-

Sanjay S. Mardia  
Chairman



## NISSAN COPPER LIMITED

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013.

#### Basis of preparation of Consolidated financial statements

- a. The consolidated financial statements relate to Nissan Copper Ltd ("Company") and its wholly owned subsidiary company NC Middle East FZE situated in UAE (Ajman Free Zone) which was incorporated during the Financial Year 2010-11, on 8th April, 2010. The proportion of ownership interest as at 31st March, 2011 is 100%.
- b. The financial statements of subsidiary used in consolidation are audited and drawn up to the same reporting date as that of the parent company i.e. 31st March, 2013.
- c. The financial statements of the subsidiary are prepared under the historical cost convention and in accordance with International Financial Reporting Standards.

#### NOTE NO. "1" - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### a. Basis of preparation of financial statements

- The financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India, Accounting Standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956. These are based on the historical cost convention Method. The Company generally follows mercantile system of accounting and recognizes items of income and expenditure on accrual basis, except in case of significant uncertainties. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year, except for the change in accounting policies explained below.
- The financial statements of the company and its subsidiary company have been combined on a line by line basis by adding together the book values of like items of the assets, liabilities, income & expenses, after fully eliminating therefrom intragroup balances and intragroup transactions as per Accounting standard (AS – 21) "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India.
- While the reporting enterprise may control the foreign operations; the activities of the foreign operations are carried independently without much dependence on reporting enterprise. Hence as per Accounting Standard (AS- 11) "Effects of changes in foreign Exchange rates", the foreign operations of the subsidiary have been classified as Non-Integral Foreign Operation.
- The exchange differences arising on monetary items that in substance form part of net investment in Non integral foreign operations have been accumulated in "Foreign Currency translation reserve."
- The excess of cost to the parent company of its investment in the subsidiary on the acquisition date is adjusted against the balance of foreign currency translation reserve, subsidiary being non integral foreign operation.
- In case of subsidiary undertaking, being non- integral foreign operations, Assets, Liabilities and Equity are translated at the exchange rate ruling on the balance sheet date. Revenue items are translated at the average rates prevailing during the period. Any exchange difference arising on translation is recognised in the "Foreign Currency translation reserve."

##### b. Revenue Recognition

Sales are net of Excise Duty, Sales Tax, Trade discount & returns.

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

Interest & other incomes are accounted on accrual basis.

Dividend income is accounted for when the right to receive it is established.

##### c. Cash & Cash Equivalents

Cash comprises of cash-on-hand and demand deposits with banks. Cash equivalents are short term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd..)****d. Foreign Currency transactions**

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of transaction. Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Realised gains and losses on foreign exchange transactions during the year are recognised in the Profit and Loss account. Exchange differences in respect of foreign currency loans/liabilities relating to Fixed Assets are accounted in the Profit and Loss Account.

Foreign currency current assets and current liabilities are translated at year end rates. In circumstances, where the year end rate is not stable / highly volatile, monetary items shall be reported based on the subsequent actual realisation rate. Resulting gains / losses are recognised in the profit and loss account. However resulting gains / losses relating to 100 % subsidiary (considered as Non – Integral Foreign Operation) are accumulated in Foreign Currency Translation Reserve.

Non monetary items such as Investments / Fixed Assets, denominated in foreign currency are stated at exchange rate prevailing on the date of transaction.

In respect of forward foreign exchange contracts, realized gain or loss on cancellation of forward contracts is recognized in the profit & loss account of the year in which they are cancelled.

**e. Tangible Fixed assets**

Fixed Assets are stated at cost including central sales tax, freight and other incidental expenses incurred in relation to acquisition & installation of the same, net of modvat and VAT.

The Foreign Exchange differences, in respect of Foreign Currency Loans / Liabilities relating to acquisition of Fixed Assets, are accounted in the Profit and Loss Account.

Capital Work in Progress includes the cost of Fixed Assets that are not ready for use at the Balance Sheet date.

Physical verification of fixed assets is carried out in phase manner in three years. Shortage/excess, if any, is provided for in the year of identification.

Borrowing cost on New ACR Plant has been capitalized as per AS -16, Borrowing costs.

**f. Depreciation on Tangible Fixed assets**

The Depreciation is provided on fixed assets on written down value method at the rates specified in the Schedule XIV of the Companies Act, 1956 on pro-rata basis for additions/deductions.

**g. Intangible Assets**

Intangible assets acquired separately are measured on initial recognition on cost.

**h. Leases**

Finance leases, which effectively transfer to the company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the inception of the lease term.

**i. Borrowing Costs**

Borrowing costs includes interest, amortization of ancillary cost incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

**j. Investments**

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long term investments. During



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## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd..)**

the financial year 2010-11, company had invested in NC Middle East FZE which is its 100 % subsidiary situated in UAE.

### **k. Inventories**

Raw Materials, Stores & Spares, and Packing Materials are valued at lower of cost or net realisable value under the FIFO method.

Stocks in Process are valued at lower of cost or net realizable value under the FIFO method. The cost is arrived at on full absorption basis as per Accounting Standard AS 2 – Valuation of Inventories.

Finished Goods are valued at lower of cost or net realizable value, under the FIFO method. The cost is arrived at on full absorption basis as per Accounting Standard AS 2 – Valuation of Inventories.

Scraps are accounted for on realization.

### **l. Retirement benefits and leave wages**

Company's contribution to Provident Fund, Pension Scheme & Workman compensation Funds are charged to the Profit & Loss Account on an accrual basis.

Calculation of provision for gratuity for the current year has been done on the basis of own valuation.

Provision for accrued leave encashment is made on the basis of own valuation and charged to profit & loss account of the year.

### **m. Preliminary Expenditure**

Expenses relating to the issue of GDR are accounted under the head Preliminary Expenditure as Preliminary Expenses. Preliminary Expenses & Share Issue Expenses are amortised over a period of ten years. A preliminary expense related to ACR Plant has been amortized over a period of five years.

### **n. Accounting for Taxes on Income**

Tax expense comprises of current and deferred tax. Provision for Current Tax is made on the assessable income at the tax rate applicable to the relevant assessment year. Deferred Tax is recognised, subject to the consideration of prudence, on timing differences, being the difference between taxable income & accounting income that originates in one period and are capable of reversal in one or more subsequent periods.

### **o. Earning per share**

Basic earnings per share is computed by dividing the net profit attributable to equity share holders for the year, by weighted average number of equity shares outstanding during the year. Diluted earning per share is computed using the weighted average number of equity and dilutive equity equivalent shares outstanding at the year end.

### **p. Provisions & Contingencies**

The company creates a provision when there is present obligation as a result of past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that probably will not require an outflow of resources or where a reliable estimate of the obligation cannot be made.

### **q. Contingent Liability:**

A Contingent Liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation.

### **r. Events occurring after 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.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd..)

	31st March 2013 (Rs.)	31st March 2012 (Rs.)
<b>NOTE NO. " 2 " - SHARE CAPITAL</b>		
<b>Equity Share Capital</b>		
<b>Authorised Share capital</b>		
7,00,00,000 (Previous year - 70,00,00,000 Equity Shares of Re.1/- each)	700,000,000	700,000,000
Equity Shares of Rs.10/- each		
<b>Issued, subscribed &amp; fully paid share capital</b>		
6,28,55,905 (Previous year - 62,85,59,050 shares of Re.1/- each)	628,559,050	628,559,050
Equity Shares of Rs.10/- each fully paid up		
<b>Calls unpaid</b>	-	-
<b>Forfeited shares</b>	-	-
<b>Preference Share Capital</b>		
<b>Authorised Share capital</b>	-	-
<b>Issued, subscribed &amp; fully paid share capital</b>	-	-
<b>Calls unpaid</b>	-	-
<b>Forfeited shares</b>	-	-
<b>Total</b>	<b>628,559,050</b>	<b>628,559,050</b>

## a. Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period

Equity Shares	31st March 2013		31st March 2012	
	No. of Shares	Amount (Rs.)	No. of shares	Amount (Rs.)
Share Outstanding at the beginning of the year	62,855,905	628,559,050	628,559,050	628,559,050
Share Issued during the year	-	-	-	-
Share bought back during the year	-	-	-	-
<b>Share outstanding at the end of the year</b>	<b>62,855,905</b>	<b>628,559,050</b>	<b>62,855,905</b>	<b>628,559,050</b>

During the F Y 2011-12, your Company has consolidated 10 Equity shares of face value of Re. 1/- (Rupee One) each into One Equity share of the face value Rs.10/- (Rupees Ten) each, pursuant to Shareholders approval on 16th Day of September 2011, and was effected from the Record Date i.e. 3rd Day of October 2011.

## b. Terms / Rights attached to Equity Shares

The Company has only one class of Equity shares having par value of Rs. 10 per share. Each holder of Equity shares is entitled to one vote per share. The company declares and pays dividends in Indian Rupees.

	31st March 2013	31st March 2012
Shares held by holding / ultimate holding company / or their subsidiaries / associates	NIL	NIL

## d. Details of shareholders holding more than 5% shares in the company

Name of the Shareholder	31st March 2013		31st March 2012	
	No. of Shares	% of holding	No. of Shares	% of holding
The Bank of New York Mellon	11,650,000	18.53%	14,750,000	23.47%
Danial Investments Pvt Ltd	5,800,000	9.23%	6,500,000	10.34%
Ratanlal Mardia	5,555,271	8.84%	7,118,000	11.32%

	31st March 2013	31st March 2012
Aggregate number of shares issued for consideration other than cash, bonus shares issued and shares bought back during the period of 5 years immediately preceeding the reporting date.	NIL	NIL

- f. During the financial year 2010-11, Company issued GDR's of Rs.100 crores & listed the same at Luxembourg Stock Exchange. The said proceeds of GDR was invested in NC Middle East FZE, wholly owned foreign subsidiary of Nissan Copper Ltd partly in the form of Equity and partly in the form of loans. During the year 2011-12, the entire proceeds of GDR was remitted as mentioned in the offer circular.



**NISSAN COPPER LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (Contd..)**

		<b>31st March 2013</b>		<b>31st March 2012</b>
		<b>(Rs.)</b>		<b>(Rs.)</b>
<b>NOTE NO. " 3 " - RESERVES &amp; SURPLUS</b>				
<b>a. Capital Reserves</b>	-		-	
<b>b. Capital Redemption Reserves</b>	-		-	
<b>c. Securities Premium Reserves</b>				
As per last Balance Sheet	1,054,316,245		1,054,316,245	
Add : Share warrant Premium	<u>-</u>	1,054,316,245	<u>-</u>	1,054,316,245
<b>d. Debenture Redemption Reserves</b>	-		-	
<b>e. Revaluation Reserves</b>	-		-	
<b>f. Share Options Outstanding Account</b>	-		-	
<b>g. General Reserve</b>				
As per last Balance Sheet	225,699,882		189,052,060	
Add : Transfer from Profit & Loss a/c	-		-	
Add: Proposed Dividend on equity shares for last year not approved at AGM	-		31,427,953	
Add: Corporate Tax on the above Proposed Dividend on equity shares for last year not approved at AGM	<u>-</u>	225,699,882	<u>5,219,869</u>	225,699,882
<b>h. Other reserves</b>				
Foreign Currency Translation Reserve		216,572,529		144,056,491
<b>i. Surplus</b>				
Balance as per last balance sheet	136,914,459		180,467,142	
Profit for the year	(752,707,862)		(43,552,683)	
Less: Appropriations				
General Reserve	-		-	
Proposed Dividend on Equity Shares	-		-	
Corporate Tax on Proposed Dividend	<u>-</u>	(615,793,402)	<u>-</u>	136,914,459
<b>Total</b>		<b><u>880,795,254</u></b>		<b><u>1,560,987,077</u></b>

## NOTES TO THE FINANCIAL STATEMENTS (Contd..)

## NOTE NO. " 4 " - LONG-TERM BORROWINGS

Particulars	Non Current Portion		Current Portion	
	31st March 2013 (Rs.)	31st March 2012 (Rs.)	31st March 2013 (Rs.)	31st March 2012 (Rs.)
Bonds/Debentures	-	-	-	-
Term Loans from Banks (Note 1 & 2)				
Secured	1,455,962,393	525,000,000	140,849,614	134,257,226
Deferred payment liabilities	-	-	-	-
Deposits	-	-	-	-
Loans and Advances from Related parties	-	-	-	-
Long Term maturities of finance lease obligations	-	-	-	-
Other loans				
Secured	1,964,500	-	-	-
Unsecured	-	654,832	100,881,341	42,397,435
Car Loan (Note 4)				
Secured	727,396	1,486,955	758,156	694,855
<b>TOTAL</b>	<b>1,458,654,289</b>	<b>527,141,787</b>	<b>242,489,111</b>	<b>177,349,516</b>

**Notes:-**

1. Secured by Equitable mortgage of lease hold Land at GIDC, Umergaon & Freehold land at Khanvel, U.T., D.N.H. and Building constructed on said plots and hypothecation of Plant and Machineries.
2. Further secured by personal guarantees of three Promotor Directors and personal properties of Director & their relatives.
3. Loan taken from LIC of India against LIC policies of the three directors
4. Car Loan is secured by hypothecation of the vehicles financed by the bank.
5. All the existing loans of the Company as on 31st March, 2012 was restructured under the Corporate Debt Restructuring plan which was approved by the CDR - EG through the Master Restructuring Agreement on 30th March, 2013.
6. Terms of Repayment

**TERM LOANS :-** To be repaid over a period of 10 years in quarterly installments.

Period	SBI		Union Bank	
	Quarterly Installment	Yearly Installment Amount	Quarterly Installment	Yearly Installment Amount
1.04.12 to 31.03.13	500,000	2,000,000	250,000	1,000,000
1.04.13 to 31.03.14	500,000	2,000,000	250,000	1,000,000
1.04.14 to 31.03.15	1,000,000	4,000,000	500,000	2,000,000
1.04.15 to 31.03.16	4,000,000	16,000,000	2,000,000	8,000,000
1.04.16 to 31.03.17	9,000,000	36,000,000	4,500,000	18,000,000
1.04.17 to 31.03.18	13,000,000	52,000,000	6,500,000	26,000,000
1.04.18 to 31.03.19	16,000,000	64,000,000	8,000,000	32,000,000
1.04.19 to 31.03.20	16,000,000	64,000,000	8,000,000	32,000,000
1.04.20 to 31.03.21	20,000,000	80,000,000	10,000,000	40,000,000
1.04.21 to 31.03.22	20,000,000	80,000,000	10,000,000	40,000,000
<b>Total</b>		<b>400,000,000</b>		<b>200,000,000</b>

**WORKING CAPITAL TERM LOAN - I :-** To be repaid over a period of 10 years in 40 quaterly installments.



**NISSAN COPPER LIMITED**

## NOTES TO THE FINANCIAL STATEMENTS (Contd..)

Period	WCTL - I		
	%	PAYABLE	BALANCE
1.04.12 to 31.03.13	0.50%	2,505,500	498,594,500
1.04.13 to 31.03.14	0.50%	2,505,500	496,089,000
1.04.14 to 31.03.15	1.00%	5,011,000	491,078,000
1.04.15 to 31.03.16	4.00%	20,044,000	471,034,000
1.04.16 to 31.03.17	9.00%	45,099,000	425,935,000
1.04.17 to 31.03.18	13.00%	65,143,000	360,792,000
1.04.18 to 31.03.19	16.00%	80,176,000	280,616,000
1.04.19 to 31.03.20	16.00%	80,176,000	200,440,000
1.04.20 to 31.03.21	20.00%	100,220,000	100,220,000
1.04.21 to 31.03.22	20.00%	100,220,000	-

WORKING CAPITAL TERM LOAN - II :- To be repaid before 31st March, 2013.

WORKING CAPITAL TERM LOAN - III :- To be repaid over a period of 10 years in 40 quarterly installments.

Period	WCTL - III		
	%	PAYABLE	BALANCE
1.04.12 to 31.03.13	0.50%	959,000	190,841,000
1.04.13 to 31.03.14	0.50%	959,000	189,882,000
1.04.14 to 31.03.15	1.00%	1,918,000	187,964,000
1.04.15 to 31.03.16	4.00%	7,672,000	180,292,000
1.04.16 to 31.03.17	9.00%	17,262,000	163,030,000
1.04.17 to 31.03.18	13.00%	24,934,000	138,096,000
1.04.18 to 31.03.19	16.00%	30,688,000	107,408,000
1.04.19 to 31.03.20	16.00%	30,688,000	76,720,000
1.04.20 to 31.03.21	20.00%	38,360,000	38,360,000
1.04.21 to 31.03.22	20.00%	38,360,000	-

FUNDED INTEREST TERM LOAN - I :- To be repaid before 31st March, 2013.

FUNDED INTEREST TERM LOAN - II :- To be repaid over a period of 4 years in 16 quarterly installments after moratorium of 2 years commencing from quarter ending June 2014.

CAR LOAN : HDFC BANK LTD - To be repaid in EMI of Rs. 33,020 upto July 2014 and Rs.17,400 upto August 2015.

L & T FINANCE - To be repaid in EMI of Rs. 23,492 upto June 2015.

## NOTES TO THE FINANCIAL STATEMENTS (Contd..)

	31st March 2013 (Rs.)	31st March 2012 (Rs.)
<b>NOTE NO. " 5 " - OTHER LONG TERM LIABILITIES</b>		
Trade payables		
Others	-	-
<b>Total</b>	-	-
<b>NOTE NO. " 6 " - LONG TERM PROVISION</b>		
Provision for employee benefits	1,961,856	1,961,856
Provision for Tax	216,664,121	101,441,949
<b>Total</b>	<b>218,625,977</b>	<b>103,403,805</b>
<b>NOTE NO. " 7 " - SHORT-TERM BORROWINGS</b>		
<b>Loans repayable on demand</b>		
From Banks		
Secured (Refer Note 1 & 2 below)		
Cash Credit from Banks	541,933,240	1,174,145,681
SBI Corporate Loan	-	15,920,770
	<u>541,933,240</u>	<u>1,190,066,451</u>
Loans and advances from related parties	-	-
Deposits	-	-
Bill discounting		
Secured (Refer Note 1 & 2 below)	92,145,399	12,418,355
Advance received from customers		
Unsecured	43,833,907	70,505,184
<b>Total</b>	<b>677,912,546</b>	<b>1,272,989,991</b>
Notes:-		
1. Secured by hypothecation of stock of raw materials , semi-finished goods, finished goods, packing materials, stores, spares, book-debts & other current assets and further secured by way of extension of charge over immovable properties of the Company.		
2. Further secured by personal guarantees of three Promotor Directors and personal properties of Director & their relatives.		
<b>NOTE NO. " 8 " - TRADE PAYABLES</b>		
<b>Sundry Creditors for Goods</b>	<u>931,878,896</u>	<u>653,951,502</u>
	<b>931,878,896</b>	<b>653,951,502</b>
<b>NOTE NO. " 9 " - OTHER CURRENT LIABILITIES</b>		
Current maturities of Long Term Borrowings (From Note No.4)	242,489,111	177,349,516
Current maturities of finance lease obligation	-	-
Interest accrued but not due on borrowings	-	-
Interest accrued and due on borrowings	-	-
Income received in advance	-	-
Unpaid dividends	457,549	-
Refundable share application money	-	-
Unpaid matured deposits and interest accrued thereon	-	-
Unpaid matured debentures and interest accrued thereon	-	-
Creditors for Capital Expenditure	7,181,412	7,723,936
Sundry Creditors for Expenses	7,733,656	7,694,759
Letter of Credit	-	119,803,309
Other Payables	34,374,322	5,945,613
<b>Total</b>	<b>292,236,050</b>	<b>318,517,133</b>



# NISSAN COPPER LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (Contd..)

	31st March 2013 (Rs.)	31st March 2012 (Rs.)
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### NOTE NO. " 10 " - SHORT-TERM PROVISIONS

Provision for employee benefits	418,632	199,947
Other Provisions	35,050,597	20,499,945
Proposed Dividend on Equity Shares	-	-
Corporate Tax on Proposed Dividend	-	-
<b>Total</b>	<b>35,469,229</b>	<b>20,699,892</b>

### NOTE - 11 TANGIBLE FIXED ASSETS

Sr. No.	Description of Assets	Gross Block				Depreciation				Net Block	
		As on 01.04.12	Addition	Deductions	As on 31.03.13	As on 31.03.12	For the Year	Deductions	Upto 31.03.13	AS ON 31.03.13	As on 31.03.12
1	Leasehold Land	275,456	-	-	275,456	-	-	-	-	275,456	275,456
2	Freehold Land	52,307,010	-	-	52,307,010	-	-	-	-	52,307,010	52,307,010
3	Factory Buildings/Sheds	279,215,324	131,950	-	279,347,274	46,818,158	23,234,295	-	70,052,453	209,294,820	232,397,166
4	Plant & Machinery	939,121,234	130,962	-	939,252,196	202,790,030	112,979,866	13,741	315,756,154	623,496,041	736,331,204
5	Electrical Installation	142,107,564	-	-	142,107,564	25,922,834	16,161,296	-	42,084,130	100,023,434	116,184,730
6	Dies & Tools	31,361,031	-	-	31,361,031	25,366,154	1,798,463	-	27,164,617	4,196,414	5,994,877
7	Furniture & Fixture	2,028,167	171,725	-	2,199,892	1,260,409	153,126	-	1,413,535	786,358	767,758
8	Laboratory Equipments	5,495,431	-	-	5,495,431	2,729,438	384,750	-	3,114,188	2,381,243	2,765,993
9	Computers, Printers	3,139,788	17,640	-	3,157,428	2,301,268	342,232	-	2,643,500	513,928	838,520
10	Office Equipments	2,243,748	28,808	-	2,272,556	777,464	207,605	-	985,069	1,287,487	1,466,284
11	Vehicles	14,333,174	-	-	14,333,174	9,265,485	1,328,800	-	10,594,285	3,738,889	5,067,689
	<b>TOTAL Add: Capital Work in Progress</b>	<b>1,471,627,927</b>	<b>481,085</b>	<b>-</b>	<b>1,472,109,012</b>	<b>317,231,240</b>	<b>156,590,433</b>	<b>13,741</b>	<b>473,807,931</b>	<b>998,301,080</b>	<b>1,154,396,687</b>
	<b>TOTAL</b>	<b>1,471,627,927</b>	<b>481,085</b>	<b>-</b>	<b>1,472,109,012</b>	<b>317,231,240</b>	<b>156,590,433</b>	<b>13,741</b>	<b>473,807,931</b>	<b>998,301,080</b>	<b>1,154,396,687</b>
	Previous Year	698,011,714	775,365,349	1,749,137	1,471,627,927	214,494,921	103,749,307	1,012,988	317,231,240	1,154,396,687	483,516,793
	Add: Capital Work in Progress	555,394,805	215,975,398	771,370,203	-	-	-	-	-	-	555,394,805
	<b>TOTAL</b>	<b>1,253,406,519</b>	<b>991,340,747</b>	<b>773,119,340</b>	<b>1,471,627,927</b>	<b>214,494,921</b>	<b>103,749,307</b>	<b>1,012,988</b>	<b>317,231,240</b>	<b>1,154,396,687</b>	<b>1,038,911,598</b>

Note: None of the Fixed Assets has been revalued during the year

### NOTE - 12 INTANGIBLE FIXED ASSETS

NIL

	31st March 2013 (Rs.)	31st March 2012 (Rs.)
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### NOTE NO. " 13 " - NON-CURRENT INVESTMENTS

Trade Investments	-	-
Investment property	-	-
Investments in Equity instruments (Unquoted)	-	-
Investments in Preference shares	-	-
Investments in Government and Trust securities	-	-
Investments in Debentures or bonds	-	-
Investments in Mutual funds	-	-
Investments in Partnership firms	-	-
Other non-current investments	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

## NOTES TO THE FINANCIAL STATEMENTS (Contd..)

	31st March 2013 (Rs.)	31st March 2012 (Rs.)
<b>NOTE NO. " 14 " - DEFERRED TAX ASSETS (NET)</b>		
<b>Deferred Tax Liability</b>		
Related to fixed assets	(2,210,775)	(3,728,514)
Amortisation of Preliminary Expenses	(5,298,083)	(4,841,462)
	(7,508,858)	(8,569,976)
<b>Deferred Tax Assets</b>	<b>10,628,217</b>	-
<b>Disallowances under the Income Tax Act</b>	-	-
<b>Total</b>	<b>3,119,359</b>	<b>(8,569,976)</b>

**NOTE NO. " 15 " - LONG TERM LOANS AND ADVANCES**

<b>Capital Advances</b>		
Unsecured, considered good	2,338,673	2,455,472
<b>Security Deposits</b>		
Unsecured, considered good	5,018,115	4,472,765
<b>Loans and advances to related parties</b>		
Unsecured, considered good	-	-
<b>Other Loans and advances</b>		
Secured, considered good	13,800,000	-
<b>Tax paid in advance including tax deducted at source</b>		
Unsecured, considered good	185,771,615	184,137,414
<b>Total</b>	<b>206,928,403</b>	<b>191,065,651</b>

**NOTE NO. " 16 " - OTHER NON-CURRENT ASSETS**

Long term trade receivables	-	-
Preliminary Expenditure	36,158,108	47,052,252
<b>Total</b>	<b>36,158,108</b>	<b>47,052,252</b>

**NOTE NO. " 17 " - CURRENT INVESTMENTS**

Investments in Equity instruments	-	-
Investments in Preference shares	-	-
Investments in Government and Trust securities	-	-
Investments in Debentures or bonds	-	-
Investments in Mutual funds	-	-
Investments in Partnership firms	-	-
Other current investments	-	-
<b>Total</b>	<b>-</b>	<b>-</b>



**NISSAN COPPER LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (Contd..)**

	31st March 2013 (Rs.)	31st March 2012 (Rs.)
<b>NOTE NO. " 18 " - INVENTORIES</b>		
Raw materials	8,714,044	75,835,923
Work in progress	365,242,141	455,100,572
Finished goods	139,406,339	63,782,407
Stock in trade	-	-
Stores and spares	9,383,030	9,988,994
Loose Tools	-	-
<b>Total</b>	<b>522,745,553</b>	<b>604,707,895</b>
<b>NOTE NO. " 19 " - TRADE RECEIVABLES</b>		
Unsecured, considered good		
Over Six months	1,819,051,550	710,797,954
Others	324,585,718	1,167,962,352
Less: Allowance for Bad debts	-	-
<b>Total</b>	<b>2,143,637,268</b>	<b>1,878,760,306</b>
<b>NOTE NO. " 20 " - CASH AND BANK BALANCES</b>		
Cash & Cash Equivalents		
Balances with banks	3,694,147	13,370,494
Cheques, drafts on hands	-	-
Cash on hand	1,402,596	1,353,194
Other Bank Balances		
Unpaid Dividend Account	457,549	-
Balances with banks to the extent held as margin money	1,923,183	50,167,986
Bank Deposits with more than 12 months maturity	11,470,149	1,093,340
<b>Total</b>	<b>18,947,624</b>	<b>65,985,013</b>
<b>NOTE NO. " 21 " - SHORT TERM LOANS AND ADVANCES</b>		
Loans and advances to related parties	-	-
<b>Loan to Employees</b>		
Unsecured, considered good	101,050	83,850
<b>Security Deposits</b>		
Unsecured, considered good	405,743	2,998,651
<b>Advance for Creditors for Expenses</b>		
Unsecured, considered good	870,111	1,174,549
<b>Advance for Creditors for goods</b>		
Unsecured, considered good	1,069,370,276	978,358,937
<b>Capital Advances recoverable</b>		
Unsecured, considered good	44,165,308	52,337,074
<b>Balance with Excise/ Custom Authorities</b>		
Unsecured, considered good	11,838,120	8,308,739
<b>Other *</b>		
Unsecured, considered good	56,551,021	98,337,950
<b>Total</b>	<b>1,183,301,629</b>	<b>1,141,599,751</b>

\* Includes primarily loans to various parties, prepaid expenses and interest accrued on FD



## NOTES TO THE FINANCIAL STATEMENTS (Contd..)

	31st March 2013 (Rs.)	31st March 2012 (Rs.)
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## NOTE NO. " 22 " - OTHER CURRENT ASSETS

Preliminary Expenditure	10,894,144	10,894,149
KSI Shah & Associates	98,124	358,505
<b>Total</b>	<b>10,992,268</b>	<b>11,252,654</b>

## NOTE NO. " 23 " - REVENUE FOR OPERATION

Sale of products	577,241,560	2,967,443,015	
Sale of services	551,394	577,792,954	2,968,463,597
Other operating revenues		-	-
Less: Excise Duty		(7,395,407)	(72,863,992)
<b>Total</b>	<b>570,397,547</b>	<b>2,895,599,605</b>	

## NOTE NO. " 24 " - OTHER INCOME

Interest income	14,435,798		28,632,064
Dividend income	-		-
Net gain/ loss on sale of investments	-		-
Profit on Sale of Assets	-		36,240
Other non-operating income (net of expenses directly attributable to such income)	-		-
Profit on trading in derivatives	-	(1,253,808)	
Less: Charges on trading in derivatives	-	(88,100)	(1,341,907)
Other non-operating income		2,003,940	165,483
<b>Total</b>	<b>16,439,738</b>	<b>27,491,880</b>	

## NOTE NO. " 25 " - COST OF MATERIAL CONSUMED/SOLD

Opening Stock	75,835,923	255,087,796	
Add : Purchases	(22,372,698)	53,463,224	842,024,219
Less : Closing Stock		(8,714,044)	(75,835,923)
<b>Total</b>	<b>44,749,181</b>	<b>766,188,296</b>	

RAW-MATERIAL CONSUMPTION	2012-13	2011-12
Copper Cathode	903,854	411,860,557
Copper Scrap/Ingots/Other	43,845,327	354,327,739
	<b>44,749,181</b>	<b>766,188,296</b>

PURCHASE	Raw-Material		Traded Goods	
	2012-13	2011-12	2012-13	2011-12
Copper Cathode	903,854	374,756,557		
Copper Scrap/Ingots/Other	(23,276,553)	212,179,866		
Copper Pipes			484,643,635	1,490,514,193
Copper Section/Flats/Rod/Bar/Strip			12,743,987	64,382,944
Other Products			90,518,385	325,817,746
<b>Total</b>	<b>(22,372,698)</b>	<b>586,936,423</b>	<b>587,906,007</b>	<b>1,880,714,883</b>



NISSAN COPPER LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (Contd..)

	31st March 2013 (Rs.)	31st March 2012 (Rs.)
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### NOTE NO. " 26 " - PURCHASE OF STOCK-IN-TRADE

Purchase of Stock - in - Trade

Imported

Indigenous

587,906,007

587,906,007

1,927,191,825

1,927,191,825

### Imported and Indigenous Raw Materials and Stock-in-Trade Consumed

Particulars	% of Consumption	Value (Rs.)	% of Consumption	Value (Rs.)
Imported	66.43	29,728,166	3.82	101,194,305
Indigenously Obtained	33.57	15,021,015	96.18	2,545,708,875
<b>Total</b>	<b>100.00</b>	<b>44,749,181</b>	<b>100.00</b>	<b>2,646,903,180</b>

### NOTE NO. " 27 " - MANUFACTURING AND OPERATING COSTS

Processing Charges

Power and fuel

Stores & Spares

Other Manufacturing Expenses

Repairs & Maintenance

Buildings

Machinery

Freight, Clearing and Handling Expenses

-

11,316,605

1,360,096

483,145

58,313

567,843

626,156

295,599

14,081,602

651,064

27,834,722

10,136,121

6,342,562

182,465

3,452,646

3,635,111

3,409,176

52,008,755

### Imported and Indigenous Stores & Spare Parts Consumed

Particulars	% of Consumption	Value (Rs.)	% of Consumption	Value (Rs.)
Imported	16.72	1,453,773	16.72	1,453,773
Indigenously Obtained	83.28	7,911,071	83.28	7,911,071
<b>Total</b>	<b>100.00</b>	<b>9,364,844</b>	<b>100.00</b>	<b>9,364,844</b>

### NOTE NO. " 28 " - INCREASE/(DECREASE) IN STOCK

Stock at close:

Work in Process

Finished Goods

365,242,141

139,406,339

504,648,479

455,100,572

63,782,407

518,882,979

Less: Stock at commencement:

Work in Process

Finished Goods

455,100,572

63,782,407

(518,882,979)

184,599,107

95,337,806

(279,936,913)

**Total**

(14,234,500)

238,946,067

SALES	2012-13	2011-12
Copper Pipes	496,730,287	2,072,529,252
Copper Section/Flats/Rod/Bar/Strip	12,896,451	124,745,817
Copper Ingots/Billet Bar	12,958,512	210,521,103
Other Products	47,260,904	405,999,573
<b>Total</b>	<b>569,846,154</b>	<b>2,813,795,745</b>

Sales Products	577,241,561	2,886,659,737
Less : Excise	(7,395,407)	(72,863,992)
<b>Net Sales</b>	<b>569,846,154</b>	<b>2,813,795,745</b>

## NOTES TO THE FINANCIAL STATEMENTS (Contd..)

Finished Goods	2012-13		2011-12	
	Opening	Closing	Opening	Closing
Copper Pipes	61,872,136	79,953,231	51,258,100	61,872,136
Copper Section/Mother Tube/Flats/Rods/Wire Bars	-	111,688	-	-
Copper Ingots/Billet Bars	-	6,963,200	13,337,636	-
Other Products	1,910,271	52,378,221	-	1,910,271

31st March 2013  
(Rs.)31st March 2012  
(Rs.)

## NOTE NO. " 29 " - EMPLOYEE BENEFITS EXPENSE

Salaries and wages	18,529,782	35,044,201
Contribution to provident and other funds	2,250,318	2,507,017
Expense on Employees stock option scheme (ESOP) and- Employee stock purchase plan (ESPP)	-	-
Staff welfare expenses	2,042,029	2,027,097
<b>Total</b>	<b>22,822,129</b>	<b>39,578,315</b>

## NOTE NO. " 30 " - FINANCE COST

Interest expenses *	276,802,567	211,510,875
Other borrowing costs	3,794,873	31,154,004
Applicable net gain/ loss on foreign currency transactions- /translation	940,985	1,278,091
<b>Total</b>	<b>281,538,425</b>	<b>243,942,969</b>

\* Includes Interest on Direct Tax

## NOTE NO. " 31 " - DEPRECIATION &amp; AMORTISATION EXPENSES

Depreciation and Amortization	156,576,692	103,621,436
<b>Total</b>	<b>156,576,692</b>	<b>103,621,436</b>



**NISSAN COPPER LIMITED**

## NOTES TO THE FINANCIAL STATEMENTS (Contd..)

	31st March 2013 (Rs.)	31st March 2012 (Rs.)
<b>NOTE NO. " 32 " - OTHER EXPENSES</b>		
Bank Charges - Admin	186,655	2,519,037
Rent	11,994,704	11,143,859
Insurance	1,368,135	2,380,075
Rates and Taxes, excluding taxes on income	1,086,468	324,922
Legal & Professional Fees	6,366,308	3,547,894
Auditors Remuneration	1,018,014	1,175,701
Travelling & Conveyance Expenses	889,857	2,228,606
Vehicle Maintenance Expenses	1,025,385	3,336,224
Postage & Telephone Expenses	1,359,313	1,574,885
Printing & Stationery	264,503	949,844
Brokerage, Commission & Discounts	-	25,610
Rebates & Discounts	70,598,072	(57,626)
Other Expenses	1,933,007	4,525,562
Repairs & Maintenance (indirect)	322,909	332,625
Sales Promotion Expenses	322,746	1,001,653
Advertising & Publicity Expenses	247,864	434,803
Freight outward & Forwarding Charges	476,557	430,834
Interest on Purchase	4,054,855	18,801,578
Interest on Indirect Tax	135,675	153,314
Margin money (LC & BG) - SBI written off	2,402,268	-
Margin money (LC & BG) - SBOP written off	32,769	-
Interest Margin on LC Receivable written off	21,540	-
Preliminary Expenses Written off	10,894,149	10,894,149
<b>Total</b>	<b>117,001,753</b>	<b>65,723,548</b>

Payment to Auditors	31st March 2013 (Rs.)		31st March 2012 (Rs.)	
<b>Auditor Fees*</b>				
Statutory Audit	618,014		737,497	
Tax Audit	275,000		308,990	
Internal Audit	65,000		73,034	
Transfer pricing Audit	60,000	1,018,014	56,180	1,175,701
Certification, consultation fees and other services **		105,608		403,297
<b>Total</b>		<b>1,123,622</b>		<b>1,578,998</b>

\*Current year figures are excluding services tax amount.

\*\*Certification, consultation fees and other services is included under Legal and Professional fees.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

33. The details of subsidiary included in the Consolidated Financial Statement of the group and the groups effective ownership interest therein are as under:-

Name of the Company	Relationship	Country of incorporation	Group's proportion of ownership interest
NC Middle East FZE	Subsidiary	United Arab Emirates	100%

34. During the FY 12-13 the company decided to make a proposal to Corporate Debt Restructuring cell (CDR) in order to re-structure its debts in line with the projected potential earnings. The said proposal was approved by the CDR – EG and the final letter of approval was received on 24.01.2013. The Master Restructuring Agreement between the Company and Consortium lenders was signed on 30.03.2013, cut - off date being 01.04.2012. Sanction letter of consortium bankers for restructured debts was received on 30.03.2013. Effect for the restructured debts have been given in the said financial statements as per the sanction letters given.

35. Details of dues to micro and small Enterprises as defined under the MSMED Act, 2006.

	2012-13	2011-12
Principal Amount due to Micro and Small enterprises (Shree Laxmi Tubes)	416,008	416,008
Interest due on above - -		
<b>Total</b>	<b>416,008</b>	<b>416,008</b>

36. Contingent Liabilities

	2012-13	2011-12
Bank Guarantees (net of margin)	4,796,066	77,646,808
Sales Bill Factoring	291,056,120	183,675,493
Excise Duty FY 2006-07	85,904,087	85,904,087
Excise Duty FY 2006-07 (Penalty)	85,904,087	85,904,087
Income Tax Appeal – AY 04-05	761,217	761,217
Income Tax Appeal – AY 06-07 (Penalty)	-	330,426
Income Tax Appeal – AY 04-05 (Penalty)	396,528	-
<b>Total Statutory Disputed Dues</b>	<b>172,965,919</b>	<b>172,899,817</b>
<b>Total Contingent Liabilities</b>	<b>468,818,105</b>	<b>426,210,633</b>

37. The search & seizure action u/s. 132(1) which was carried out on 17.01.2009 resulted into a total demand of Rs. 280,335,020/- for the AY 2003-04 to AY 2009-10. Out of the total demand, company has paid Rs. 95,274,581/- upto 31.03.2012. The company had filed an appeal with the CIT (A) for the demand raised. The Ld. CIT (A) has pronounced the orders in the company's favour, except minimal disallowances. The Company has filed further appeal with the Hon'ble Tribunal for AY 2004-05 on 17.04.2012 as the company do not agree to the disallowances made by Ld. CIT (A). The total disputed amount for the said year is Rs.761, 217/-, which the company has already paid but provision for the same has not been made, hence it is shown as contingent liability.
38. For Ay 2004-05, penalty of Rs.396, 528/- was levied u/s. 271(1)(c) of the Income Tax Act, 1961 vide order dated 26.03.2013. Our Company has filed an appeal with CIT (A) on 15.04.2013 as disagree on Income Tax department's view.
39. For AY 2010-11, company's return of income was processed u/s. 143(1) and on a regular scrutiny order passed u/s. 143(3) demanding tax of Rs.38,454,130/-. Provision for the said amount has been done in the books. In response to the Income Tax Department our Company has filed an appeal with the CIT (A) on 15.04.2013 against demand raised.
40. For the FY 2006-07, Central Excise, Customs and Service Tax Commissionerate, Vapi levied penalty of Rs. 85,904,087/- under Cenvat Credit Rules, 2004 of Central Excise Act, 1944. The Company has filed an appeal with Hon'ble CESTAT for the said demand as the Company does not agree with the same. So the whole amount raised as demand remains disputed.
41. A search action u/s. 64 of the Maharashtra Value Added Tax Act, 2002, was carried on 06.07.2012 which resulted in a total VAT demand of Rs. 20,507,763/- . The company has made full provision of the said amount alongwith interest payable of Rs. 6,340,130/- and penalty payable of Rs. 4,974,788/-. Hence, the same is not shown as contingent liability. During the year, company has paid Rs.2, 150,000/- of the total demand.



**NISSAN COPPER LIMITED**

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

42. There are 2 cases filed against the company before Gujarat High court u/s 433 r. w. 434 of Companies Act, 1956. Further 2 cases are filed u/s 138 of Negotiable Instrument Act. The amount payable to the parties is standing in the books

### 43. Segment Information

- (a) The Company deals in Copper Products and is treated as the only segment.
- (b) Secondary Segment – Geographical by Sale

Segment Revenue	2012-13	2011-12
In India	576,567,616	2,882,424,472
Outside India	673,944	5,255,847
<b>Total</b>	<b>577,241,560</b>	<b>2,887,680,319</b>

### 44. Related Party Disclosures

#### (i) Name of the related parties and related party relationship

- (a) Individuals Controlling the Enterprise and Key Management Personnel
 

Mr. Sanjay S. Mardia	Chairman
Mr. Ratanlal S. Mardia	Managing Director
Mr. Atul S. Mardia	Executive Director
Mr. Praveen Kumar H. Shah	Director
Mr. Shailesh H. Shah	Director
Mr. Nitin Mehta	Director
- (b) Relatives of Key Management Personnel
 

Mr. Shantilal Mardia	Father of Chairman
Mrs. Bela S. Mardia	Wife of Chairman
Mrs. Sunita R. Mardia	Wife of Managing Director
- (c) Enterprises in which key management personnel & their relatives are interested.
 

Danial Investment Private Limited	
NC Middle East FZE	

Note: Related party relationship on the basis of the requirements of Accounting Standard 18 (AS-18) as in 1(a), 1(b) & 1(c) above is relied upon by the auditors.

#### (ii) Related party Transactions

The Following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

- a. Sale/ Purchase of goods and services – Not Applicable.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

## b. Loans given and repayment thereof

Particulars	Year Ended	Loans given	Repayment	Interest Accrued	Amount owed by related parties
Enterprises owned or significantly influenced by key management personnel or their relatives					
Danial Investment Pvt Ltd	31st March, 2013 31st March, 2012	NIL 31,222,230	NIL 32,914,461	NIL 1,880,257	NIL Nil
Key Managerial persons and Relatives of Key Managerial Personnel	NA	NA	NA	NA	NA

## c. Loans taken and repayment thereof

Particulars	Year Ended	Loans given	Repayment	Interest Accrued	Amount owed by related parties
Enterprises owned or significantly influenced by key management personnel or their relatives					
Danial Investments Pvt Ltd	31st March, 2013	63,391,649	21,880,283	-	41,511,366
Relatives of Key Managerial Personnel					
Ratanlal Mardia	31st March, 2013	22,961,716	17,607	-	22,944,109
Sanjay Mardia	31st March, 2013	13,855,422	5,790,254	-	8,065,168
Atul Mardia	31st March, 2013	15,80,000	-	-	1,580,000
Sunita Mardia	31st March, 2013	16,557,502	-	-	16,557,502

All the above unsecured loans brought into by the system as on 31st March, 2013 by the promoter's are considered to be promoter's Contribution as per the CDR norms.

## d. Other Transactions

Nature of Transaction	2012-13		2011-12	
	Referred in (i) (a &b)	Referred in (i) (c)	Referred in (i) (a &b)	Referred in (i) (c)
Income :	-	-	-	
Interest	-	-	-	1,880,257
Expenses :				
Remuneration	1,200,000	-	14,400,000	-
Interest	-	-	-	-
Advertisement	-	-	-	-
Reimbursement of expenses	-	-	164,975	-
Finance & Investment:				
Loan & Advances Recd.	-	118,346,289	-	33,102,487
Loan & Advances Paid	-	27,688,144	-	33,102,487
Outstandings :				
Payable	-	90,658,145	-	-
Receivable	-	-	-	-



**NISSAN COPPER LIMITED**

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

### 45. Leases

Disclosure as required by Accounting Standard 19, "Leases", issued by the Institute of Chartered Accountants of India are given below:

- (i) Lease payments are recognised in the statement of Profit & Loss Account under "Rent" in Note No. 32. Company with effect from September 2012 has shifted its corporate office. The said Agreement is for a period of 3 years.
- (ii) The future minimum lease payments under non-cancellable operating lease
  - Not later than one year: Rs. 7,781,400/-
  - Later than one year and not later than five years: Rs. 11,672,100/-

### 46. Deferred Tax

The break up of net deferred tax asset and liability into major components at the year end is as below:

Particulars	Liabilities		Assets	
	2012-13	2011-12	2012-13	2011-12
Depreciation	2,210,774	3,728,514	-	-
Expenses	5,298,083	4,841,462		
Business loss			10,628,216	
<b>Total</b>	<b>7,508,857</b>	<b>8,569,976</b>	<b>-</b>	<b>-</b>
<b>Net Deferred Tax Liability/ Asset</b>	<b>-</b>	<b>8,569,976</b>	<b>3,119,358</b>	<b>-</b>

47. Sales & Services include Rs. 509,426,609/- (Previous Year - Rs. 2,111,350,642/-) for traded goods.

### 48. Computation of Earning per share (Basic & Diluted)

	2012-13	2011-12
Profit after taxation	(752,707,862)	(43,552,683)
Weighted average number of Share Outstanding	6,28,55,905	6,28,55,905
Nominal Value per Share	10	10
Earning per Share – Basic	(11.98)	(0.69)
- Diluted	(11.98)	(0.69)

49. The outstanding balances of Sundry Debtors, Sundry Creditors, Deposits, Loans and Advances & Loans Liabilities are subject to confirmation.

50. All the amounts are stated in Indian Rupees, unless otherwise stated.

51. Previous years figures are regrouped and rearranged wherever necessary.

As per our Report of even date

For R.C. JAIN & ASSOCIATES

Chartered Accountants

FRN No: 103952W

Sd/-

R C Jain

Partner

M. No. 038096

Place : Mumbai

Date:30.05.2013

For and on behalf of the Board

Sd/-

Ratanlal S. Mardia  
Managing Director

Sd/-

Sanjay S. Mardia  
Chairman



## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED, 31st MARCH, 2013

Particulars	31st March 2013 (Rs.)	31st March 2012 (Rs.)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Profit/(Loss) before exceptional and extraordinary Items and tax	(652,073,002)	(36,217,594)
Adjustments for :		
Depreciation	156,576,692	103,621,436
(Profit)/Loss on sale of Assets	-	(36,240)
Loss on Redemption of Mutual fund	-	-
(Profit)/Loss on trading in future	-	1,341,907
Exchange rate fluctuation	940,985	1,278,091
(Profit)/Loss on Forward contract Cancellation	-	-
Preliminary Expenses W/off	10,894,149	10,894,149
Interest expense	282,784,029	261,619,771
Interest income	(11,979,220)	(28,632,064)
Operating Profit before working capital changes	(212,856,367)	313,869,456
Movements in working capital		
(Increase) / Decrease in Trade and Other Receivables	(328,665,352)	(749,518,213)
(Increase) / Decrease in Inventories	81,962,343	(65,709,182)
Increase / (Decrease) in Trade Payable & Other Liabilities	324,439,232	280,874,951
Cash generated Before Exceptional Items	(135,120,144)	(220,482,988)
Exceptional items	-	-
Cash generated from operating activities	(135,120,144)	(220,482,988)
Direct Taxes paid	6,484,145	(67,274,581)
<b>Net Cash generated from / (used in) operating activities (A)</b>	<b>(128,635,999)</b>	<b>(287,757,569)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Proceeds from sale of Fixed Assets		275,000
Purchase of Fixed Assets/Capital Expenditure	(481,085)	(63,081,899)
Borrowing Costs incurred during the year Capitalised	-	(36,877,890)
Investment in bank deposits (having original maturity of more than 3 months)	36,244,065	(8,771,703)
Redemption/Maturity of bank deposits (having original maturity of more than 3 months)	1,623,929	11,092,340
Foreign Currency Translation reserve	72,516,038	143,824,618
Redemption of Mutual Funds	-	-
Interest received	11,979,220	28,632,064
<b>Net cash flow from / (used in) investing activities (B)</b>	<b>121,882,167</b>	<b>75,092,529</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Equity Warrant Money / GDR proceeds	-	-
Proceeds from long term borrowings	1,190,668,120	321,651,515
Repayment of long term borrowings	(194,016,021)	(307,917,283)
Proceeds from short term borrowings	143,013,856	1,751,735,366
Repayment of short term borrowings	(831,223,334)	(1,503,406,657)
Expense incurred during the year for ACR plant (written off over 5 years)	-	(25,812,848)
Loss on forward contract cancellation	-	-
Interest & Other Financial Charges Paid	(282,784,029)	(261,619,771)
Dividends Paid	-	-
Corporate tax on dividend paid	-	-
Share Issue / GDR Expenses	-	-
<b>Cash generated Before Exceptional Items</b>	<b>25,658,592</b>	<b>(25,369,678)</b>
Exceptional items	(28,074,153)	-
<b>Net cash flow from / (used in) financing activities (C)</b>	<b>(2,415,562)</b>	<b>(25,369,678)</b>



**NISSAN COPPER LIMITED**

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED, 31st MARCH, 2013

Particulars	31st March 2013 (Rs.)	31st March 2012 (Rs.)
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>(9,169,395)</b>	<b>(238,034,720)</b>
Opening Balance of Cash and Cash Equivalents	14,723,687	252,758,407
Closing Balance of Cash and Cash Equivalents	5,554,292	14,723,687
	<b>(9,169,395)</b>	<b>(238,034,720)</b>

**Notes:**

- 1. Components of Cash & Cash Equivalents**

Cash on hand	1,860,145	1,353,194	
Balances with banks	3,694,147	13,370,494	
	(A)	5,554,292	14,723,687
Other Bank Balances			
Balances with banks to the extent held as margin money	1,923,183	50,167,986	
Bank Deposits with more than 12 months maturity	11,470,149	1,093,340	
	(B)	13,393,332	51,261,326
<b>Cash &amp; Bank Balances as per Balance Sheet (Note No. 20) (A + B)</b>	<b>18,947,624</b>	<b>65,985,013</b>	
2. The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard - 3 on Cash Flow Statement issued by ICAI
3. Profit on trading in futures and Loss on trading in MCX has been adjusted with Trade and other Receivables.
4. Exchange Rate Fluctuation has been adjusted with Trade payables and other liabilities.
5. Previous period's figures have been regrouped and rearranged wherever necessary to confirm to the current year's classification.
6. Figures in the brackets represents outflows.

**For and on behalf of the Board**

<b>Place : Mumbai</b> <b>Date: 30.05.2013</b>	<b>Sd/-</b> <b>Ratanlal S. Mardia</b> <b>Managing Director</b>	<b>Sd/-</b> <b>Sanjay S. Mardia</b> <b>Chairman</b>
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**AUDITOR'S REPORT**

We have examined above Consolidated Cash Flow Statement of Nissan Copper Ltd. (the Company) for the year ended 31st March, 2012. The statement has been prepared by the company in accordance with the requirements of Listing agreements Clause 32 with Stock Exchange and is based on and in agreement with the corresponding Profit & Loss Account and Balance Sheet of the Company covered by our report of even date to the members of the Company.

**For R.C.JAIN & ASSOCIATES**  
**Chartered Accountants**  
**FRN No: 103952W**

**Sd/-**

**(R C Jain)**  
**Partner**

**Place : Mumbai**  
**Date: 30.05.2013**

**FINANCIAL DETAILS OF THE SUBSIDIARY COMPANY FOR THE YEAR ENDED 31ST MARCH, 2013**

SR NO.	PARTICULARS	NC MIDDLE EAST FZE
1	Capital	2,256,898
2	Reserves & Surplus (including balance in profit & loss account)	(48,160,511)
3	Total Assets	1,219,323,986*
4	Total Liabilities	1,219,323,986*
5	Investments	-
6	Turnover	-
7	Profit/ (Loss) before taxation	(31,302,199)**
8	Provision for taxation	-
9	Profit/(Loss) after taxation	(31,302,199)**
10	Proposed dividend	-
11	Misc Expenses - to the extent not written off	-

\* Balance Sheet items are translated at closing exchange rate of 1\$ = Rs.54.39/- ( as on 31.03.2013)

\*\* Revenue items are translated at an average exchange rate of 1\$ = Rs. 52.48/- ( as on 31.03.2013)

Note: In terms of the exemption granted by the Ministry of Corporate Affairs vide Notification no. 2/2011 dated 8th February, 2011 under section 212 of the Companies Act, 1956, a copy of the Statement of Financial Position, Statement of Comprehensive Income, Managers report and Auditors Report for the year ended 31st March, 2013, of the subsidiary company have not been attached with the Annual report of the Company. The Company will make available these documents and the related details upon request by any Investor of the Company, on all working days except Saturdays, Sundays and Public Holidays at the Registered Office of the Company between 10:30 a.m. to 12:30 p.m.

**For and on behalf of the Board**

**Place : Mumbai**  
**Date : 30th May, 2013**

**Sd/-**  
**Ratanlal S. Mardia**  
**Managing Director**

**Sd/-**  
**Sanjay Mardia**  
**Chairman**



## This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

**NISSAN COPPER LIMITED**

Regd. Office: 168/2/1, Rudana, Khanvel, Silvassa, Dadra Nagar Havelli-396230.

**PROXY FORM**

I/We \_\_\_\_\_ of \_\_\_\_\_ in the district of \_\_\_\_\_ being a Member/Members of the above named Company, hereby appoint \_\_\_\_\_ of \_\_\_\_\_ in the district of \_\_\_\_\_ or failing him \_\_\_\_\_ of \_\_\_\_\_ in the district of \_\_\_\_\_ as my/our Proxy to attend and vote for me/us on my/our behalf at the 24th Annual General Meeting of the Company, to be held on Saturday, September 28, 2013 at 11.00 a.m. at Golden Pond Resort, Survey no. 62/1/P/, Village Chauda, U.T. Dadra Nagar Havelli-396230 and at any adjournment thereof.

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

Signature

Affix One  
Rupee  
Revenue  
Stamp

Folio No./Client Id/DP Id:

No. of Shares:

**NOTES:**

1. The Proxy must be returned so as to reach the Registered Office of the Company, not less than FORTY-EIGHT HOURS before the time for holding the aforesaid meeting.
2. A Proxy need not be a member of the Company.

**NISSAN COPPER LIMITED**

Regd. Office: 168/2/1, Rudana, Khanvel, Silvassa, Dadra Nagar Havelli-396230.

**ATTENDANCE SLIP**

(Name &amp; Address of Member/Proxy)

Folio No./Client Id/DP Id:

No. of Shares:

I hereby record my presence at the 24th Annual General Meeting of the Company held on Saturday, September 28, 2013 at 11:00 a.m. at Golden Pond Resort, Survey no. 62/1/P/, Village Chauda, U.T. Dadra Nagar Havelli - 396230

Signature of the attending Member/Proxy

**NOTES:**

1. A Shareholder/Proxy holder wishing to attend the meeting must bring the Attendance Slip to the meeting and handover at the entrance duly signed.
2. A Shareholder/Proxy holder desiring to attend the meeting should bring his copy of the Annual Report for reference at the meeting.

Date:

Book Post

j

*If undelivered please return to:*



**NISSAN COPPER LIMITED**

**CORPORATE OFFICE**

32, 3<sup>rd</sup> Floor, Sakhar Bhavan, 230 Nariman Point, Mumbai – 400 021. Maharashtra. INDIA.

Tel: +91-22-4302 4000 Fax: +91-22-2283 3889

email: [query@nissancopper.com](mailto:query@nissancopper.com)