

MD	✓		RKC	✓
CS	✓		DFY	MA
RO	✓		Dev	MA
TRA	MA			
AGM	✓	✓		✓
YE	✓	✓		✓

HINDUSTAN COPPER LIMITED

(A Government of India Enterprise)



ANNUAL REPORT
1996 - 97



HINDUSTAN COPPER LIMITED
(A Government of India Enterprise)
REGISTERED OFFICE
"Tamra Bhavan"
1, Ashutosh Chowdhury Avenue
Calcutta-700019

BOARD OF DIRECTORS

Shri P Parvathisem
Chairman-cum-Managing Director (from 11.6.96)

Shri M C Mahapatra (Acting CMD from 19.5.97 to 10.6.97)

Shri K N Ghosh
Director(Finance) (Acting CMD upto 18.5.97)

Shri U Sen
Director(Personnel)

Shri Lokeshwar Prasad
Director(Operations)

Shri A Prasad (upto 31.7.97)

Shri A H Jung (from 19.8.97)

Shri K K Taneja (upto 10.7.97)

Shri M K Batra (")

Shri R K Bhargava(")

Shri R B Subramanyam(")

COMPANY SECRETARY

Shri A D Mehta

ADDITORS

M/s.Bansal Sinha & Company, New Delhi

M/s.Gupta, Chowdhury & Ghosh, Calcutta

BANKERS

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



HINDUSTAN COPPER LIMITED
(A GOVERNMENT OF INDIA ENTERPRISE)
REGISTERED OFFICE
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1, Ashutosh Chowdhury Avenue
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Notice is hereby given that the 30th Annual General Meeting of the members of Hindustan Copper Limited will be held on Monday the 29th September, 1997 at 3.30 PM at the Registered Office of the Company at "Tamra Bhavan", 1, Ashutosh Chowdhury Avenue, Calcutta-700 019 to transact the following business :

Ordinary Business

- 1) To receive, consider and adopt the Audited Balance Sheet as on 31st March, 1997 and the Profit & Loss Account for the year ended 31st March, 1997 together with the Directors' Report, Auditors' Report and C&AG's comments
- 2) To appoint a Director in place of Shri K. N. Ghosh, who retires by rotation and being eligible, offers himself for reappointment on the existing terms and conditions as approved by the Govt. of India
- 3) To appoint a Director in place of Shri U. Sen, who retires by rotation and being eligible, offers himself for reappointment on the existing terms and conditions as approved by the Govt. of India

Special Business

Appointment of Chairman-cum-Managing Director/Directors

To consider and, if thought fit, to pass with or without modifications, the following resolutions as Ordinary Resolutions :-

- 4) "Resolved that Shri P. Parvathisem be and is hereby appointed as Chairman-cum-Managing Director of the Company with effect from 11.6.97 in terms of Ministry of Mines' Order No.10(11)/95-Met.III dated 9.6.97."
- 5) "Resolved that Shri Lokeshwar Prasad be and is hereby appointed as Director(Operations) of the Company with effect from 15.5.96 in terms of Ministry of Mines' Order No.10/2/95-Met. III dated 7.5.96."



- 2 -

- 6) "Resolved that appointment of Shri M. C. Mahapatra, Joint Secretary, Ministry of Mines, New Delhi as Director on the Board of the Company with effect from 26.11.96 vide Ministry of Mines Order No.10(13)/95-Met.III(Pt) dated 26.11.96 be and is hereby approved."
- 7) "Resolved that appointment of Shri Akbar Hameed Jung, Additional Secretary and Financial Adviser, Ministry of Steel & Mines, New Delhi as Director on the Board of the Company with effect from 19.8.97 in terms of Ministry of Mines' Order No.10/13/95-Met.III dated 19.8.97 be and is hereby approved."

By order of the Board

(A. D. Mehta)
GM(C) and Company Secretary

Place: Calcutta

Date: 3rd September, 1997

- Notes:
- 1) A Member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and on a poll, to vote instead of himself/herself and the proxy need not be a Member of the Company. Proxies in order to be valid and effective must be deposited with the Registered Office of the Company not less than 48 hours before the meeting
 - 2) The Register of Members and Share Transfer Books of the Company will remain closed from 16th September, 1997 to 23rd September, 1997 (both days inclusive) as already notified in the press
 - 3) Members are requested to kindly notify immediately change in their addresses, if any, to the Registered Office of the Company quoting their Folio No.
 - 4) The agenda item Nos. 2 to 7 regarding rotational retirement/ appointment of directors of HCL is proposed to comply with the provisions of Section 255, 256 and 257 of the Companies Act, 1956 which have become applicable to the Company, consequent upon its ceasing to be a wholly owned Government company as a result of disinvestment of some shares by the Government.



- 3 -

Ministry of Mines vide its letter No.10(14)/95-Met.III dated 10.10.96 has advised the Company to comply with the provisions of the Companies Act 1956 regarding appointment/retirement/reappointment of Directors pending approval of the Govt. for various amendments in Articles of Association of the Company as proposed by the Company.

- 5) Explanatory Statement pursuant to Section 173(2) of the Companies Act 1956 in respect of Item No.4,5,6 and 7 as set out above is annexed hereto.

CC:

All Members

Joint Statutory Auditors

Stock Exchange at Calcutta, Mumbai, Delhi
Chennai and Ahmedabad

P.S. C&AG's comments on the Accounts, Review of Accounts on its receipt will be circulated amongst the Members



ANNEXURE TO NOTICE

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

Item No. 4

Shri P. Parvathisem has joined as Chairman-cum-Managing Director of the Company from 11.6.97 vide Ministry of Mines' Order No.10(11)/95-Met.III dated 9.6.97. It is now proposed to regularise his appointment on the existing terms and conditions as approved by the Government at the ensuing 30th Annual General Meeting of the Company in order to comply with the relevant provisions of the Companies Act, 1956.

Shri Parvathisem is a post-graduate in Chemical Engineering (M.Tech) from IIT, Kharagpur. Before joining HCL, he was Director (Smelting Operations) of Hindustan Zinc Limited. He has been closely associated with the extraction and development of technology on industrial scale in respect of non-ferrous metals and is highly qualified and well experienced in mining and metallurgical industry. Considering his wide experience your directors recommend his appointment on the existing terms and conditions as approved by the Government.

None of the directors of the Company except Shri P. Parvathisem is in any way concerned or interested in the resolution.

Item No. 5

Shri Lokeshwar Prasad has joined as Director (Operations) of the Company from 15.5.96 vide Ministry of Mines' Order No.10/2/95-Met.III dated 7.5.96. It is now proposed to regularise his appointment on the existing terms and conditions as approved by the Government at the ensuing 30th Annual General Meeting of the Company in order to comply with the relevant provisions of the Companies Act, 1956.

Shri Lokeshwar Prasad is a Mining Engineer from Indian School of Mines, Dhanbad. He has earlier worked in different positions with TISCO, Jardines East India Coal Co. and as Executive Director of Pyrites Phosphates & Chemicals Limited. In TISCO, he was instrumental in opening up highly mechanised open cast mines. Considering his wide experience in mining industry your directors recommend his appointment on the existing terms and conditions as approved by the Government.

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

Item No. 6

Shri M. C. Mahapatra, Joint Secretary, Ministry of Mines, New Delhi has been appointed as part-time official Director of the Company with effect from 26.11.96 vide Ministry of Mines' Order No.10(13)/95-Met.III(Pt) dated 26.11.96. It is now proposed to regularise his appointment as ex-officio Government Director at the ensuing 30th Annual General Meeting of the Company in order to comply with the relevant provisions of the Companies Act, 1956.



- 2 -

Shri Mahapatra is presently Joint Secretary in the Ministry of Mines, New Delhi. He is highly qualified and well experienced and had held different important positions in the Government. Your directors recommend his appointment.

None of the directors of the Company except Shri Mahapatra is in any way concerned or interested in the resolution.

Item No.7

Shri Akbar Hameed Jung, Additional Secretary and Financial Adviser, Ministry of Steel & Mines, New Delhi has been appointed as part-time official Director of the Company with effect from 19.8.97 vide Ministry of Mines' Order No.10/13/95-Met.III dated 19.8.97. It is now proposed to regularise his appointment as ex-officio Government Director at the ensuing 30th Annual General Meeting of the Company in order to comply with the relevant provisions of the Companies Act, 1956.

Shri Jung was earlier Joint Secretary, Ministry of Power. He has been promoted as Additional Secretary & Financial Adviser in the Ministry of Steel & Mines, New Delhi. Shri Jung is highly qualified and well experienced and had held various important positions in the Government. Your directors recommend his appointment.

None of the directors of the Company except Shri Jung is in any way concerned or interested in the resolution.



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PROXY FORM

I/We _____ of _____
 _____ being a member/members of HCL hereby
 appoint _____ of _____
 _____ or failing him _____ of _____
 _____ as my/our proxy to attend and
 vote for me/us on my/our behalf at the 30th Annual General
 Meeting of the Company to be held on Monday , the 29th
 September, 1997 at 3.30 PM and at any adjournment thereof at the
 Registered Office of the Company at "Tamra Bhavan", 1, Ashutosh
 Chowdhury Avenue, Calcutta- 700 019.

Signed this _____ day of _____ 1997

Affix
 Revenue
 Stamps of
 30 paise

Signature _____

Reg. Folio No. _____

Note : A proxy in order to be effective must be received at the
 Registered Office not less than forty-eight hours before
 the scheduled time of the meeting.



REPORT OF THE BOARD OF DIRECTORS

The Shareholders
Hindustan Copper Limited
Calcutta

1. Your Directors have pleasure in presenting the Thirtieth Annual Report of the Company together with the audited statement of accounts and Auditors' Report thereon for the year ended 31.3.1997.

2. GENERAL

2.1 During 1996-97 the production performance of the Company in respect of the major items of production is given below:-

Refined Copper (Cathode) (T)	38481 (92% of the target)
Wirerod (T)	41332 (101% of the target)

2.2 During the year 1996-97 the Company surpassed the record production of wirerod of 37,280 tonnes achieved in 1995-96 at TCP by raising the production to 41,332 tonnes showing a substantial increase of 11% over the previous year.

2.3 The Company also achieved the following all time high record production performance:-

- Production of 610 Kg. of Gold (27% higher than previous best of 480 Kg. achieved in 1994-95).
- Production of 6095 Kg. of Silver (9% higher than previous best of 5585 Kg. achieved in 1994-95).
- Production of 412 tonnes of Nickel Sulphate (36% higher than previous best of 303 tonnes achieved in 1994-95).
- Production of 12,221 Kg. of Selenium (6% higher than previous best of 11,582 Kg. achieved in 1994-95).

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2.

2.4 The Company achieved all time high record sales of 68108 tonnes Refined Copper (4% higher than previous best of 65719 tonnes achieved in 1995-96).

2.5 During the year the Company's turnover was limited to Rs. 980.24 crore as compared to Rs.1118.02 crore achieved during 1995-96. This was mainly due to lower market prices consequent upon unprecedented crash in the LME price of copper and customs duty reduction made by the Government in the Union Budget for 1996-97.

The Company ended the financial year with a net loss of Rs. 130.62 crores.

2.6 The Company had been rated "Very Good" in the performance evaluation of MOU for 1995-96.

2.7 During the year the Company allotted/transferred on 31.10.96 3,87,500 equity shares at a price of Rs.20 per share to 2183 buyer employees out of the existing shareholding of the President of India. Consequent upon this transfer of shares, the total disinvestment in the Company stood enhanced to 1.24% of its present paid-up capital.

2.8 The Company continued its Voluntary Retirement Scheme for its employees in order to reduce its manpower and the cost of production. 140 employees opted for voluntary retirement during 1996-97.

2.9 A decision was taken by the Board of Directors of the Company in its 212th meeting held on 26.11.96 to take up with the competent authority to close down the Mosaboni Mine including Badia. Accordingly, the issue has been taken up with the Central

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