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HINDUSTAN COPPER LIMITED

(A Government of India Enterprise)

FINANCIAL STATEMENT OF DIRECTORS

Shri B. K. Misra

Chairman/Managing Director

Shri B. K. Bar

Director (Finance)

Shri K. S. Ram

Director (Production)

Shri. Ashok Mishra

Sh. Suresh Mishra

Shri V. K. Chandra

Shri S. B. Ramesh

OR COMPANY SECRETARY

Shri C. S. Singh

MANAGER

With M. Chatterjee & Company, Chartered Accountants, Members of the Institute of Cost Accountants of India, Chartered Accountants & Company, New Delhi

STATEMENT OF DIRECTORS

Year: 1964-65
 Name: Shri B. K. Misra and Shri B. K. Bar
 Name: Shri V. K. Chandra
 Name: Shri S. B. Ramesh
 Name: Shri K. S. Ram
 Name: Shri Ashok Mishra
 Name: Shri Suresh Mishra
 Name: Shri C. S. Singh

STATEMENT OF DIRECTORS

Name: Shri B. K. Misra
 Name: Shri V. K. Chandra
 Name: Shri S. B. Ramesh

STATEMENT OF DIRECTORS

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NOTICE FOR ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of the members of Manganese Copper Limited will be held on Friday, the 26th September 2008 at 11.0 AM at the Registered Office of the Company, at "Lexus House", 11, Northwick Chase, Surrey Avenue, Colindale/A90009 as reserves for following business:

Ordinary Business

- 1) To receive accounts and adopt the audited Balance Sheet as on 31st March, 2008 and the Profit and Loss Account for the year ended 31st March, 2008 together with the Directors' Report, Statutory Report and CA/CA's certificate;
- 2) To appoint a Director in place of Mrs. Kanta Rao, who retires by rotation and being eligible, unless intimated to the contrary in writing before the meeting, to hold office for the period of three years commencing from the date of the meeting and until the next AGM of the Company;
- 3) To appoint a Director in place of Mrs. V. R. Chavan who retires by rotation and being eligible, unless intimated to the contrary in writing before the meeting, to hold office for the period of three years commencing from the date of the meeting and until the next AGM of the Company;
- 4) To fix the remuneration of the auditors.

Special Business

To consider and, if thought fit, to pass with or without modifications, the following resolution or Ordinary resolution:

- 1) "RESOLVED THAT approval of Mrs. Ashwini Mehta, as Director of the Board of the Company with effect from 26/09/2008 in terms of 'Memorandum of Call and Appointment Letter No. MCL/HR/Asst/01 dated 26/09/2008 be and is hereby approved."

Place : Mumbai

Date : 26th September, 2008

By order of the Board

C. T. Sugg

Deputy Company Secretary

NOTES :

- 1) A member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on his behalf in accordance with the provisions contained in the Memorandum of Call and Appointment Letter 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 26th September 2008 to 05th September 2009 (both days inclusive).
- 3) Members are requested to kindly notify immediately change in their addresses, if any, to the Registered Office of the Company quoting their share numbers.
- 4) Pursuant to Section 149(2) as amended by the Companies Act 2008, the Auditors of a Government Company shall be appointed or re-appointed by the Comptroller and Assistant General of India (and in terms of Clause (a) inserted in sub-section (4) of Section 224 of the Amendment Act, 2008 this nomination has to be done by the company in the Annual General Meeting. The appointment of Statutory Auditors of the Company for the year 2008-2009 is invited from CA/CA of India. The General Meeting may authorize the Board to hold up an appropriate nomination of Auditors for the year 2008-2009.
- 5) The agenda item Nos. 1, 2 and 3 regarding resolution/appointment of Director of IFC, is proposed to comply with the provisions of Section 202, 203 and 207 of the Companies Act, 1956 which have become applicable.



of the Company amongst other its liability to be a wholly owned Government Company as a result of distribution of new shares by the Government Ministry of Coal and Mines vide order No. 0014/HR/MS/01 dated 02.12.2012 and the Company to comply with the provisions of the Companies Act, 1956 regarding appointment/extension/reappointment of Directors pending approval of the Govt. for various appointments. Copies of Resolutions of the Company, as proposed by the Company.

- (c) Explanatory Statement prepared in Section 102(i) of the Companies Act, 1956 in regard to Item No. 5 as set out above, is annexed hereto.

ANNEXURE TO NOTICE

(Explanatory Statement prepared in Section 102(i) of the Companies Act, 1956)

Item No. 5

Mr. Akhesh Mehta, Additional Secretary (General), Government of India has been appointed as part-time official Director of the Company vide O.S.1001 in terms of Ministry of Coal and Mines' Order No. 0014/HR/MS/01 dated 21.12.2012. He was previously an regular full appointment as an officer Government Service at the existing 13th Annual General Meeting in order to comply with the relevant provisions of the Companies Act, 1956.

Mr. Mehta is M.A., PG Diploma in Development Administration from Birmingham University, UK. He had earlier held several important positions in the State Governments of Orissa, Assam, Madhya Pradesh, Goa, Kerala & Karnataka. Government including as Deputy Secretary, Ministry of Personnel, Govt. of India, Joint Secretary, Department of Social Welfare, Govt. of India, Consulting firm with experience in Public Administration and Policy matters, joint director, regional, for appointments in the existing state and territories as approved by the Government.

None of the Directors of the Company except Mr. Akhesh Mehta is to say may concerned as referred to the resolution

Sl. No.	Name of the Director	Designation	Address
1	Mr. Akhesh Mehta	Additional Secretary (General), Government of India	...
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REPORT OF THE BOARD OF DIRECTORS

The Shareholders

Industries Company Limited
 Kolkata

I, your Directors have pleasure in presenting the Management Annual Report of the Company together with the audited accounts of Assets and Liabilities' Report Annex for the year ended 31st March 2002.

1. GENERAL

1.1 The particulars (performance) of the Company in respect of other years during 2001-2002 is given below :

Year	1-1-2001 to 31-3-2002	
	Actual	% Achievement
One Million (000 T)	186	93
Mill in Concrete (T)	7020	92
Cables (T)	4028	89
Wire Rod (T)	2485	85

1.2 During the year ending 31st March, 2002, sales value was 4989 crores to April 2000 against last year showing an increase of 46.87%. The revenue during the year was Rs. 6614 crores and Company ended the financial year 2001-2002 with a net loss of Rs. 14.51 crores.

1.3 During 2001-2002, there has a total reduction of investment of 1541.18% occurred by 160 crores of Non-Performing Loan from the Ministry of Finance, Government of India during the year for the purpose of expansion of capital resources by way of voluntary reduction. As on 31.3.2002 total investment strength of ICI was 1952.

2. PRODUCTION PERFORMANCE

Products	2001-2002 (April 2001 to March 2002)				2000-2001 (October 2000 to March 2001)			
	Output Tonne	Costs Tonne	Control Tonne	Total	Output Tonne	Costs Tonne	Control Tonne	Total
One Million (000 T)	186	324	324	324	104	330	330	330
One Million (000 T)	7020	326	327	327	374	336	336	337
Mill in Cast (T)	362	262	262	262	1214	498	504	505
Steel Pipes (T)	4028	1385	-	1385	1751	2950	-	2950
Cables (T)	2485	1361	-	1361	2547	2920	-	2920
CC Wire Rod (T)	-	-	-	2985	-	-	-	2985



11. The Metallurgical Copper Department production of 2704 metric tonnes, an increase of 11.0% over 2008 and ACC production of 2700 tonnes during the year 2009-2010 was still low-high metal price fluctuations.

Blister copper production at Metal Copper Complex, in March 2009 was 424 tonnes which is an all time record monthly production ever registered.

12. The Company achieved production of Metal Sulphate of 83 tonnes (20%), Sulphuric acid 4740 tonnes (increase 17% to 5470%), Silver 264 kg (16%) and Gold 28 kg.

4. POWER SUPPLY PROVISION

Power supply provision at all the Projects was zero or less (nil/nil).

5. E-DEBT CONSIDERATION

DEL continued to give priority for energy conservation measures at various stages of process from mining all the way to production of Copper metal and other by-products. Nevertheless, we made a mark in the operations energy aspect.

In 2009, since the Company was able to achieve improvements in the rate of specific consumption over the previous year. The operational areas of reference in consumption are given below :

Specific consumption	Unit	2008-2009	2009-2010
1 Mining power-MCP	KWH/T	1.00	1.01
2 Mining fuel (DFO)-MCP	Lm/T	1.04	1.00
3 Ore Milling power-MCT	KWH/T	20.00	19.99
4 Smelter power -ICC	KWH/T	44.26	40.21
5 Smelter fuel -ICC	Lm/T	49.00	50.50
6 Smelter Oxygen -ICC	M ³ /T	476.00	487.00
7 Sulphuric Acid (SO ₃)-TCC	TONNE/T	107.00	100.00

6. FINANCIAL

41. The financial results of the Company during the year 2009-2010 (April 2009 to March 2010) (12 months) compared with 2008-2009 (October 2008 to March 2009) (18 months) are summarized below :

Particulars	2009-2010 (April 2009 to March 2010) (12 months)	2008-2009 (October 2008 to March 2009) (18 months)
a. Sales	200.76	193.76
b. Sales or Production	200.76	200.00
c. Cost of production, including depreciation, purchase, royalty and interest	450.00	545.00
d. Profit/(Loss) before depreciation, purchase, royalty and interest	247.00	150.00
e. Depreciation & Royalties Write-off	24.10	24.10
f. Interest - Government	0.00	11.00
Loss - Other	87.00	106.00
g. Profit/(Loss) before tax (242.90)		109.00
h. Provision for tax	0.00	0.00
i. Profit/(Loss) after tax (242.90)		109.00

42. The profit loss during 2009-2010 was Rs. 242.90 crores as compared to the profit loss of Rs. 109.00 crores 2008-2009.

43. The applied provision of the Company as on 31.03.2010 stood at under :

Share Capital	Rs. in crore
a. Authorized Capital	
01 Equity Share of Rs. 10/- each	60000
02 5.75% Non-Cumulative Preference Share of Rs. 1000/- each	50000

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b. Divid. declared & paid up Capital at Equity Share	142.00
80.00% Non-Cumulative Preference Share	142.00
c. Share reserve including dividend	142.00

44. Financial Restructuring

The Com. has considered & approved the 2nd Financial Restructuring and 2nd MND. (FR) vide letter no 600/20 MND dated 4/3/2011. The following measures have been granted in the past Financial Restructuring of PCL:

- Conversion of outstanding preference loan of Rs. 500 crore to an 8.125% AFS loan given as debt.
- Conversion of outstanding plain loan of Rs. 7500 crore to an 8.125% cost equity.
- Issue of non-voting amount of an 8.125% on plain loan amounting to the 15.7% cost.
- Issue of non-voting guarantee for an Rs. 112000 in respect of guarantee extended by Govt. of India for rolling working capital and further waiver of amount of non guarantee for an such guarantee less 8.125% of equity of the guarantee.
- Govt. of additional Rs. 100 crore for 10% for the year 2007-08 for expansion of transport under VRS.
- Issuance of additional equity of Rs. 40 crore to 2007-08 to meet part of the Govt. loans particularly for interest payment against Govt. guarantee the difference will be paid with contribution that the additional equity would be limited to the amount necessary to keep all works positive.

None effect of (a) to (d) above have been given in the current year's annual.

45. Resolving from Government

During the year 2007-08 Govt. has released Rs. 400 crore exemption loan for VRS and Rs. 20 crore plain loan which subsequently have been converted the provision and equity respectively through approval of 2nd Financial Restructuring as stated in Para No. 44.

46. Bonds Issued and Unissued

During the year company has raised Rs. 200 crore through

issuance of bonds with coupon rate of 8.125% and the proceeds raised for purchase/redemption of the working capital term debt having interest @ 10% p.a. at the 75 crore level from 2008.

The Unissued Bonds under raised in 4 year plan for redemption on 31/03/2011 & 31/03/2012 respectively. The Company offered all the bondholders for extension of redemption period by one year. All the bondholders except bondholders holding Rs. 500 crore have opted to extend the redemption period by one year. The Company has redeemed bonds amounting to the 400 crore during the year and balance Rs. 4 crore is kept 30/03/2011.

The details of Bonds liability as on 31/03/2011 stand as under:

	Rs. in Crores
11.00% Unsecured Bonds	25.00
8.125% Secured Bonds	80.00
10.00% Secured Bonds	24.00
10.00% Secured (VRS)	15.00
Total	124.00

47. Contributions to Budgetary

During the year 2007-08, the company contributed a total sum of Rs. 10000 crore to the budget as shown below:

Particulars	Rs. Crores
Income Tax	15.00
Corporate Tax	11.00
State Tax	9.00
Royalty and Cess	14.00
Other	1.00
Total	50.00

48. Expenditure on Budget saving

During 2007-08, the company spent budget saving towards capital of new material, 20% payments, share and equity, financial infrastructure including etc. in the light of the full cost, 100% budget saving, saving of resources

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in the amount of Rs. 5000 crore and components upon which there are no control goods for 800 crore.

7. INVESTMENT

7.1 During the year 1981-82, the total sale of copper was 4700 MT with a monthly average of 392 MT against the average sale of 3650 MT per month in 1980-81.

7.2 Out of the above total copper sale, the sale of more than one wire (MS) fell with a monthly average of 26 MT as against 1900-2000 average of 157 MT per month.

7.3 The sale of Cathode & Wire, copper during the year was 192 MT with a monthly average of 16 MT as against a 1700-2000 average of 160 MT per month.

7.4 CC, that sale during 1981-82 was 1040 MT with an average of 86 MT against an average sale of 100 MT in 1980-81.

7.5 In view of several complaints from India State Copper and 1981, Hindustan Industries Ltd., improvement could be achieved by analyzing our marketing strategy from time to time keeping in view the market conditions.

8. PROGRESS OF NEW PROJECTS/COMMISSION SCHEDULE

Consistent upon Government decision for establishment of Hindustan Copper limited and as suggested by Finance Commission that expansion in the capacity of IOC, Durgam and Bahadur to be left to the new management, the project for establishment/technological upgradation of IOC Durgam was dropped.

9. SOURCE & TECHNOLOGY ACQUISITION

The details are furnished in Annexure to the Director Report.

10. INVESTMENT OF I&D AND KNOWLEDGE SHARING

All units of Hindustan Copper limited continued to follow the Government guidelines for encouraging procurement of materials from MS in Auxiliary table in an extend their own. From the Consulting Office, Bank saving equipment, spare etc. are regularly

procured from MS/MSDC (State MS and Auxiliary, Union are also provided assistance to develop import information items.

11. PERSONNEL AND INDUSTRIAL RELATIONS

11.1 The Industrial Relations Division in 1981, during 1981-82 had two general industrial harmonious.

There had been no loss of workers/patriotic due to strike, lock out or other problems relating to industrial matters.

11.2 During the financial year, the above had been mainly an indicator of discipline through MR, efforts of continuous operations, reduction of age of superannuation and approved union management relations to ensure the strike. The manpower during the period was reduced from 12000 to 1100 representing a 12% reduction mainly through MR. In July, 1981, Katta Copper Mine of Chamba was closed by expatriating the employees through MR even before the closure proposal was processed and put up for consideration by the Labour Ministry. The age of superannuation which was raised from 58 years to 60 years in 1980 was rolled back to 56 years with the approval of the Government in v.l. 12/1982. On all the above issues, the unions entered into negotiation.

11.3 The revision of wages for workers which was due from 1/1/80 could, however, not be effected. The union mainly on demand for wage revision and other allied demands had raised a strike action on 24/1/80 which was taken up by committee at the level of the CCC (C. Study), in consultation with the union was struck at the PCC meeting held on 25.2.80 in view of which the workers were offered (bonus) Rate of 10% of Basic Pay as on 1/1/80 subject to a minimum of Rs. 200/- per month. The workers whose pay was also due for advance was 14,000 were offered (bonus) Rate from the same date @ 10% of their Basic Pay as on 1/1/80. In March 1981, in 1981 meeting of the Board of Director, it was further decided to close down the mines at Durgam and Bahadur and the money raised (investments at Durgam) under the provision of Section 100

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of the Independent Register Ltd. (IRC). The annual rate of increase for the group and other world-class has been fixed at 10% 2000

10. MEASUREMENT FOR ACHIEVEMENT OF ECONOMIC GOALS

The Board has determined an arrangement of goals for Individual Goals, Scheduled Rates and Other Related Goals are followed as in letter and spirit. The responsibility of IC, IT and OBC employees for of the total earnings of 1,000 to 10%, 5% and 5% respectively at an 11,000. The strength of IC, IT and OBC employees at an 11,000 to 100, 100 and 100 respectively.

11. IMPROVED PARTICIPATION IN MANAGEMENT

Employee levels are increasingly increasing at all the levels namely at the Area level, Head level and Management level. The decisions regarding all of decisions in the respective divisions have increasingly centralized at some of the divisions. Safety, Welfare and its educational and for the Joint Corporation Committee and the National Joint Committee for Copper which are respective participative bodies at the Area level having representation of workers from all the subdivisions of the company has over the years increasingly contributed in the maintenance of harmonious industrial relations.

12. EDUCATIONAL, WELFARE AND SOCIAL CONTRIBUTION

In the interests of the Company, people at all levels and regions together receive religious benefits of welfare facilities. Employees of various ICs, and regions contribute to the Company's development as well as in their place of work positively.

13. MANPOWER PLANNING

The manpower strength is at 11,000 at an 1100 At present (2000) at an 11,000 indicating a reduction in the manpower by 200 during the financial year 2000-01.

14. EMPLOYMENT OPPORTUNITIES OF WOMEN

The Company strength of female employees is an

in 2000-01 was 10% and 10% of 1000 was an

Group	No. of female employees	Total strength	% of female employees to total strength
Group A	5	100	5%
Group B	10	200	5%
Group C	20	400	5%
Group D	30	600	5%
Total	65	1300	5%

100. In accordance with the judgment of the Madras Supreme Court on group Companies as at the time and Order of the Company for the "Welfare of female Employees at Work Place". In addition, a provision in this effect has been made in the Conduct, Discipline and Appeal Rules of IRC.

In matters relating to employment there has been no incidence of discrimination against employees on the basis of gender.

15. HUMAN RESOURCE MANAGEMENT

Training and development of all levels of employees, not given the importance by the Company to increase efficiency. Type of employees was given in organization, leading and shaping right attitudes, team building and work culture besides preparing employees in multifaceted the work in the changing technology/working area to increase efficiency by offering better results in production, productivity and profitability.

Personnel:

Apart from Education, Safety, Technical and Functional Programmes, Workers were engaged in General Education and Developmental Programmes. Special programmes were conducted for regular workers by (Management Centre and Industrial) Other employees. A total of 1500 workers attended various training programmes conducted in Training Centres in our Plants.

Supervisors:

1000 for the first time and more Supervisors attended Supervisory Development Programmes on Productivity.