

ANNUAL REPORT
2003-2004

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HINDUSTAN COPPER LIMITED



HINDUSTAN COPPER LIMITED

(A Government of India Enterprise)

PRESENT BOARD OF DIRECTORS

Shri Rana Sen

Chairman-cum-Managing Director

Shri R. K. Bhargava

Shri Hem Pande

COMPANY SECRETARY

Shri C. S. Singhi

AUDITORS

M/s. M. C. Bhandari & Company, Kolkata

M/s. Dinesh Mehta & Company, New Delhi

BANKERS

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

REGISTERED OFFICE

Tamra Bhavan
1, Ashutosh Chowdhury Avenue
Kolkata-700 019

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NOTICE FOR ANNUAL GENERAL MEETING

Notice is hereby given that 37th Annual General Meeting of the members of Hindustan Copper Limited will be held on Thursday the 30th September 2004 at 4.00 PM at the Registered Office of the Company at "Tamra Bhavan", 1 Ashutosh Chowdhury Avenue, Kolkata-700 019 to transact the following business :

Ordinary Business

- 1) To receive, consider and adopt the Audited Balance Sheet as on 31st March, 2004 and the Profit and Loss Account for the year ended 31st March, 2004 together with the Directors' Report, Auditors' Report and C&AG's comments.
- 2) To fix the remuneration of the Auditors.

Special Business

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

"RESOLVED THAT appointment of Shri R K Bhargava as Director on the Board of the company with effect from 18.08.2004 in terms of Ministry of Coal and Mines, Department of Mines' Order No.10(2)/2002-Met.III dated 18.08.2004 be and is hereby approved."

- 4) To consider and, if thought fit, to pass with or without modifications, the following resolution as Special Resolution :

"RESOLVED THAT pursuant to Section 94 and other applicable provisions, if any, of the Companies Act, 1956, the Authorised Share Capital of the Company be and is hereby increased from Rs.900 (Nine hundred) crores divided into 70,00,00,000 Equity Shares of Rs.10/- each and 20,00,000 Preference Shares of Rs.1000/- each to Rs. 1100 (One thousand and one hundred) crores divided into 90,00,00,000 Equity Shares of Rs. 10/- each and 20,00,000 Preference Shares of Rs 1000/- each."

"RESOLVED FURTHER THAT Clause V of the Memorandum of Association of the company be and is hereby altered to read as follows :-

The Authorised Share Capital of the Company is Rs. 1100 (One thousand one hundred) crores divided into :

- i) 90,00,00,000 (Ninety crores) Equity Shares of Rs. 10/- each.
- ii) 20,00,000 (Twenty lakhs) Preference Shares of Rs. 1000/- each.

With the rights, privileges and conditions attaching thereto as may be provided by the Articles of Association of the Company for the time being, with power to increase and reduce the Capital of the Company and divide the shares in the Capital for the time being into several classes and to attach thereto respectively such preferential, deferred, guaranteed, qualified or special rights, privileges and conditions as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify, amalgamate any such rights, privileges or conditions in such manner as may for the time being be provided by the Articles of Association of the Company, subject always to the provisions of the Companies Act, 1956."

- 5) To consider and, if thought fit, to pass with or without modifications, the following resolution as Special Resolution :

"RESOLVED THAT pursuant to Section 31 and other applicable provisions, if any, of the Companies Act, 1956, the existing Article 5 of the Articles of Association of the Company be and is hereby altered to read as follows :

The Share Capital of the Company is Rs. 900 (Nine hundred) crores divided into :

- i) 90,00,00,000 (Ninety crores) Equity Shares of Rs.10/- each.
- ii) 20,00,000 (Twenty lakhs) Preference Shares of Rs.1000/- each.

Provided that the Company may alter the conditions of its Memorandum so as to increase its Share Capital as it



thinks expedient by issuing new shares in the manner prescribed in Section 94 of the Companies Act, 1956.”

- 6) To consider and, if thought fit, to pass with or without modifications, the following resolution as Special Resolution :

“RESOLVED THAT pursuant to the provisions of Section 81 and other applicable provisions of the Companies Act, 1956, and in accordance with the Memorandum and Articles of Association of the Company and subject to receipt of approval from SEBI, the consent of the Company be and is hereby accorded to the Board of Directors of the Company (“the Board” which term shall be deemed to include any Committee of Directors) to issue 36,53,40,000 Equity Shares of Rs.10/- each in the share capital of the Company for cash at par aggregating to Rs. 365.34 crores (Rupees three hundred sixty five crores and thirty four lakhs) only to the President of India on preferential allotment basis.”

“RESOLVED FURTHER THAT Equity Shares to be issued and allotted by the Company to the President of India shall rank *pari passu* in all respects with the existing equity shares of the Company.”

“RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorised to do all such things and acts as may be necessary and expedient and to settle any matter that may arise in connection therewith.”

By order of the Board

Place : Kolkata

(C. S. Singhi)

Date : 7th September, 2004

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 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 24th September 2004 to 29th September 2004 (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 folio numbers.
- 4) Pursuant to Section 619(2) of the Companies Act, 1956, the Auditors of a Government Company are appointed or re-appointed by the Comptroller and Auditor General of India and in terms of Section 224(8)(aa) of the Act their remuneration has to be fixed by the Company in the General Meeting. The appointment of Statutory Auditors of the Company for the year 2004-2005 is awaited from CAG of India. The Annual General Meeting may authorise the Board to fixed up an appropriate remuneration of Auditors for the year 2004-2005.
- 5) Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of Item Nos. 3 to 6 as set out above, is annexed hereto.



ANNEXURE TO NOTICE

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

Item No. 3

Shri R. K. Bhargava, Additional Secretary (Mines), Government of India has been appointed as part-time official Director of the Company w.e.f. 18.08.2004 in terms of Ministry of Coal and Mines, Department of Mines, Order No. 10(2)/2002-Met.III dated 18.08.2004. It is now proposed to regularise his appointment at the ensuing 37th Annual General Meeting in order to comply with the relevant provisions of the Companies Act, 1956.

Shri Bhargava is an IAS from Maharashtra cadre. Before joining the Ministry, Shri Bhargava was Chief Electoral Officer, Government of Maharashtra and had served in different positions with the state Government.

None of the Directors of the Company except Shri R. K. Bhargava is in any way concerned or interested in the resolution.

Item Nos. 4 & 5

The present Authorised Capital of the Company is Rs.900 crores divided into 70,00,00,000 Equity Shares of Rs.10/- each and 20,00,000 Preference Shares of Rs.1000/- each. As on 31.3.2004, the paid up capital of the Company was Rs.543.61 crores consisting of 36,28,78,000 Equity Shares of Rs.10/- each and 18,07,324 nos. 7.5% Non-cumulative Redeemable Preference Shares of Rs.1000/- each and share money awaiting allotment was Rs.365.34 crores.

The pending share application money of Rs.365.34 consist of (a) Rs.95 crores received in 2001-02 as budgetary support against equity; (b) conversion of outstanding plan loan of Rs.71.50 crores as on 31.3.2002 into equity in terms of 2nd Capital Restructuring; (c) infusion of Rs.60 crores by Government in 2002-03 for meeting operational needs in terms of 2nd Capital Restructuring; (d) infusion of Rs.93.84 crores by Government in 2003-04 for working capital and (e) Rs.25 crores and Rs.20 crore received in 2002-03 and 2003-04 respectively against Renewal & Replacement. In view of this, if the Company allot equity shares to President of India against the pending share application money amounting to Rs.365.34 crore, it would exceed the existing authorised capital of Rs.900 crores. In order to allot further shares in the name of the President of India against the pending share application money as enumerated above, the Board of HCL in its meeting held on 29th April, 2004 has approved amendment to the capital clause of the Company's existing Memorandum & Articles of Association for increasing the Authorised Capital of HCL subject to approved from the Administrative Ministry. The Ministry vide its letter No.1(2)/2003-Met.III dated 18.8.2004 has conveyed Govt. approval for enhancement of existing Authorised Capital from Rs.900 crores to Rs.1100 crores. As such, consent of members is sought for increasing the Authorised Capital from existing Rs.900 crores to Rs.1100 crore.

The proposed amendment to the capital clause of Memorandum & Articles of Association of the Company will enable the Company to make allotment of equity shares to the President of India against pending application money.

Alteration of the capital clause in the Articles of Association of the Company is purely consequential and is in accordance with Section 31 of the Companies Act, 1956.

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

Item No.6

It is informed that total share money pending allotment received from Government as on 31st March, 2004 stood at Rs.365.34 crores. We have written to SEBI for grant of exemption from SEBI Preferential Allotment Guidelines and Applicability of Takeover Code. Approval of SEBI is awaited. Accordingly, the resolution u/s 81 for issuance of shares to the President of India for an amount of Rs. 365.34 crores is placed for consideration and approval by the shareholders.

Section 81 of the Companies Act, 1956 provides that when it is proposed to increase the issued capital of the Company by allotment of further shares, such further shares shall be offered to the existing shareholders of the Company in the manner laid down in Section 81 unless the shareholders in a general body meeting decides otherwise. The resolution set at Item No.7 is an enabling resolution empowering the Board of Directors to issue equity shares, at par, to the President of India only on preferential basis for adjusting the pending share application money.

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



REPORT OF THE BOARD OF DIRECTORS

The Shareholders Hindustan Copper Limited Kolkata

1. Your Directors have pleasure in presenting the thirty-sixth Annual Report of the Company together with the audited statement of accounts and Auditors' Report thereon for the year ended 31st March, 2004.

2. GENERAL

2.1 The production performance of the Company in respect of major items during 2003-2004 is given below :

Item	1. 4. 2003 to 31. 3. 2004		
	Target	Actual	% Achievement
Ore Production ('000T)	3061	2895	95
Metal in Concentrate (T)	30000	28306	94
Cathode (T)	40000	30598	76
Wire Rod (T)	35000	28003	80
Wirebar (T)	-	455	-

2.2 During the year ending 31st March, 2004, copper sales was 30144 tonnes. The turnover during the year was Rs.499.28 crores and Company ended the financial year 2003-2004 with a net loss of Rs.56.16 crores compared to net loss of Rs.147.70 crores during 2002-03.

2.3 During 2003-2004, there was a total reduction in manpower of 1870 out of which 1808 were separated through VRS. The cost of separation of 1808 employees through VRS was Rs.126.75 crores. As on 31.3.2004 total manpower strength of HCL was 5995.

3.1 At Malanjkhand Copper Project, ore production of 23.21 lakh tonnes and recovery at concentrator plant of 93.58% during the year 2003-2004 was the highest ever achieved since inception.

3.2 The by-products produced by the Company during the year was as follows :

Gold - 195 Kgs., Silver - 3207 Kgs., Sulphuric Acid - 20439 T, Selenium - 2357 Kgs., Nickel Sulphate - 10 T

4. POWER SUPPLY POSITION

Power supply position in all the units of the Company except ICC unit was more or less satisfactory. ICC experienced occasional load shedding imposed by DVC due to payment default by JSEB. HCL took up the matter with JSEB and DVC and the latest position has been comparatively stable.

5. ENERGY CONSERVATION

HCL continued to give priority for energy conservation measures at various stages of process from mining of ore to extraction of Copper metal and other by-products. Special efforts were made in making the operations energy efficient. In most of the areas of production the company was able to achieve reduction in specific consumption rates over the previous year. The achievements made in this regard

3. PRODUCTION PERFORMANCE

Products	2003-2004 (April 2003 to March 2004)				2002-2003 (April 2002 to March 2003)			
	KCC	ICC	MCP	Total	KCC	ICC	MCP	Total
Ore Raised ('000 T)	574	-	2321	2895	702	89	2273	3064
Ore Milled ('000 T)	678	-	2265	2943	738	89	2318	3145
Metal in Conc. (T)	6249	-	22057	28306	7306	786	22732	30824
Blister Copper (T)	28173	2697	-	30870	29281	15313	-	44594
Cathodes (T)	27303	3295	-	30598	24026	12549	-	36575
CC Wire Rod (T)	-	-	-	28003	-	-	-	30346

KCC-Khetri Copper Complex, ICC-Indian Copper Complex, MCP-Malanjkhand Copper Project.



in KCC and MCP (ICC was under shutdown for most part of the year) are indicated below :

	Specific Consumption	Unit	2003-2004	2002-2003
1	KCC Mine Power	KWH/T	23.60	26.23
2	KCC Smelter Power including STP	KWH/T	1203.38	1275.95
3	KCC Refinery Power	KWH/T	361.91	372.28
4	KCC Sulphuric Acid Power	KWH/T	295.65	412.38
5	MCP Ore Milling Power	KWH/T	19.22	19.34
6	KCC Smelter Fuel Consumption	Ltr/T	696.08	848.20
7	KCC Smelter Oxygen Consumption	Nm ³ /T	684.71	703.31

6. FINANCIAL

6.1 The financial results of the Company during the year 2003-2004 (April 2003 to March 2004) compared with 2002-2003 (April 2002 to March 2003) are summarised below :

(Rs. in Crore)

	Head	2003-2004	2002-2003
a	Sales	499.28	505.68
b	Value of Production	514.84	501.53
c	Cost of production excluding depreciation, provisions & write-offs and interest	481.11	554.56
d	Profit/(Loss) before depreciation, provisions & write-offs and interest	33.73	(53.03)
e	Depreciation and provisions & write-offs	30.26	35.10
f	Interest	59.63	59.57
g	Profit/(Loss) before tax	(56.16)	(147.70)
h	Provision for tax	0.00	0.00
i	Profit/(Loss) after tax	(56.16)	(147.70)
j	Value added	209.42	147.37

6.2 The cash loss during 2003-2004 was Rs.25.90 crores

as compared to the cash loss of Rs.112.60 crores in 2002-2003.

6.3 The capital structure of the Company as on 31.3.2004 stood as under :

Share Capital (Rs. in Crore)

a. Authorised Capital

(i) Equity Share of Rs. 10/- each	700.00
(ii) 7.5% Non-Cumulative Preference Share of Rs.1000/- each	200.00

b. Issued, Subscribed & Paid up Capital

(i) Equity Share	362.88
(ii) 7.5% Non-Cumulative Preference Share	180.73

c. Share money awaiting allotment 365.34

6.4 Investment in Equity by Government

During the year 2003-04, HCL has received Rs.113.84 crores as equity from the Govt. out of which Rs.20.00 crores was on account of Plan Expenditure and the balance Rs.93.84 crores on account of Working Capital for meeting past liabilities and cash losses.

6.5 Grant-in-Aid from Government

HCL has received Rs.25.00 crores from the Govt. as Grant-in-Aid during the year 2003-04 towards separation of manpower through VRS.

6.6 Bonds (Secured and Unsecured)

Out of the total 14.00% Unsecured privately placed bonds of Rs.63.33 crores, the Company has already redeemed Rs.39.83 crores leaving a balance of Rs.23.50 crores.

The details of total Bonds and Debenture liability as on 31.3.2004 stood as under :

(Rs. in Crore)

14.00% Unsecured Bonds	23.50
14.75% Secured Bonds	8.59
15.00% Secured Bonds	29.53
10.65% Secured Bonds	150.00
14% Debenture	87.50
Total	299.12



Bonds and Debentures have been further redeemed and outstanding liabilities position as on the date of this report was : 14% Unsecured Bonds – Rs.15.80 crores, 14.75% Secured Bonds – Rs.4.91 crores, 15% Secured Bonds – Nil, 10.65% Secured Bonds – Rs.150 crores and 14% Debentures – Rs.81.25 crores.

6.7 Contribution to Exchequer

During the year 2003-2004, the Company contributed a total sum of Rs.94.16 crore to the exchequer as shown below :

(Rs. in Crore)

Particulars	
Excise Duty	69.68
Customs Duty	2.04
Sales Tax	9.12
Royalty and Cess	10.18
Others	3.14
Total	94.16

6.8 Expenditure in foreign currency

During 2003-2004, the Company spent foreign currency towards import of raw material, components, stores and spares, machines etc. to the tune of Rs.47.90 crores. This includes mainly import of concentrate to the tune of Rs.45.68 crores and components, spare parts & stores amounting to Rs.2.14 crores.

6.9 Earnings in Foreign Exchange

During 2003-04, Company has earned foreign exchange of Rs.20.09 crores by exporting reverts against Rs.9.97 crores earned in 2002-03.

7. MARKETING

7.1 During the year 2003-04, the total sale of Copper was 30144 MT with a monthly average of 2512 MT against the average sale of 3099 MT per month in 2002-03.

7.2 CC Rod sale during 2003-04 was 27603 MT with a average of 2300 against an average sale of 2476 MT in 2002-03.

7.3 The sale of Cathode and Misc. Copper during the year was 2080 MT as compared to sale of 5114 MT in 2002-03.

7.4 Out of the above total copper sale, the sale of wire bar was 461 MT as against 2002-03 sale of 2366 MT.

7.5 In 2003-04, the sale of CC Rod has reduced mainly due to low off-take of customers in Jelly Filled Telecom Cable sector as there was a delay in finalisation of orders by Department of Telecommunication and the quantity was lower.

Due to a major shutdown in ICC from July 2003, availability of copper cathode during 2003-04 had decreased and HCL had to plan a product mix, which maximised realisation, thereby temporarily not producing Wire Bar in 2003-04. Further, the sale of Cathode has also reduced as there was no lifting by India Government Mints in 2003-04 since they had not placed new order for this year.

8. PROGRESS OF NEW PROJECTS/EXPANSION SCHEMES

No new Projects/expansion Schemes were taken up during the year.

9. DEVELOPMENT OF SSI AND ANCILLARY UNITS

All units of Hindustan Copper Limited continued to follow the Government guidelines in encouraging procurement of materials from SSI & Ancillary units in or around their areas. Items like Grinding media, Earth moving equipment, spares etc. are regularly purchased from SSI/NSIC Units. SSI and Ancillary Units are also provided assistance to develop import substitution items.

10. RESEARCH & DEVELOPMENT

- Specific areas in which R&D activities carried out during the year : Nil
- Benefits derived as a result of R&D : Nil
- Future plan of action : Two schemes have been taken up by HCL for initiation of action in 2004-05. One relates to bio-leaching of lean grade sulphide ore at MCP and the other is on selection of appropriate combination of reagents for beneficiation of oxidised ore. Project on the first scheme has been prepared and sent to the Administrative Ministry for S&T support. The second project is being finalised in consultation with Tata Research Development and Design Centre.
- Expenditure on R&D : Not applicable



11. SCIENCE & TECHNOLOGY/TECHNOLOGY ABSORPTION

During the year, Company concentrated on improving the operational practices with a view to reduce processing cost. No new technology has been absorbed during the year.

12. PERSONNEL AND INDUSTRIAL RELATIONS

12.1 The Industrial Relations situation in the Company continued to be peaceful and harmonious during the year under report.

12.2 The Surda Mine and other establishments of Hindustan Copper Limited at Mosaboni were closed with effect from 17.6.2003 in terms of the permission granted vide letter No.L-42024/53/2002-IR (Misc.) dated 5.6.2003 by the Ministry of Labour, Government of India under Section 25(O) of the Industrial Disputes Act, 1947. The workmen were separated through Voluntary Retirement Scheme of the Company. However, it has been decided to run the Surda Mine through workers' cooperative for which Government approval has also been received.

12.3 The permission for closure of the Khetri mine was also received from the Ministry of Labour, Government of India vide letter No.42024/54/2002-IR(Misc.) dated 1.10.2003. However, the four registered trade unions operating at KCC filed a writ petition in the Hon'ble High Court of Rajasthan, Jaipur against the permission granted by the Government for closure of Khetri Copper Mine. The Hon'ble High Court stayed the closure of the Khetri Mine. Pending final decision of the Hon'ble Court, the operations of the Khetri Mine which were under suspension were resumed to take advantage of the increased copper price in the international market(LME).

13. STATUS OF VOLUNTARY RETIREMENT

During the financial year 2003-04, 1808 employees were released on VR by utilising Grant-in-Aid of Rs. 126.75 crores.

14. RESERVATION FOR APPOINTMENT OF SC/ST/OBC CANDIDATES

The representation of SC, ST and OBC employees out of the total manpower of 5,995 is 15.60%, 12.43%

and 11.68% respectively as on 31.3.2004. There had been no recruitment during the year under report.

15. EMPLOYEES PARTICIPATION IN MANAGEMENT

Over the years, Employees Participation in Management has been the backbone of harmonious Industrial Relations in the Company. The successful operation of various Bi-partite forums at all the three levels namely at the Apex level, Unit level and shop floor level has immensely contributed in the reduction of cost and in areas of Production, Safety, Welfare etc.

16. COMMUNAL HARMONY AND NATIONAL INTEGRATION

In the Townships of the Company located at Khetri, Malanjkhand and Ghatsila as well as in other places of work, the employees of different caste, creed, religion cohabitate in a spirit of togetherness and celebrate all the religious festivals with pomp and gaiety.

17. EMPLOYMENT SITUATION OF WOMEN

The Groupwise strength of female employees as on 31.3.2004 *vis-à-vis* the total strength of HCL is given below :

Group	Total Strength	No. of Female Employees	% of Female Employees to Total Strength
Group A	664	16	2.41
Group B	160	11	6.88
Group C	4253	140	3.29
Group D	918	163	17.76
Total	5995	330	5.50

In pursuance to the judgement of the Supreme Court, HCL has set Committees in all the Units/Offices of the company for the Prevention of Sexual Harassment of Workmen in Work Place. A provision in this regard has also been incorporated in the Conduct, Discipline and Appeal Rules of HCL.

During the year under report, no incidence of discrimination amongst employees on the basis of gender has come to light.

18. HUMAN RESOURCE DEVELOPMENT

Training and development of all levels of employees is given due priority by the Company to increase



effectiveness. Special emphasis was given to organisation building and shaping right attitudes, team building and work culture besides preparing employees to understand the trends in fast changing technology/switching over to latest technology for achieving higher results in production, productivity and profitability.

Workers :

Apart from Statutory, Safety, Technical and Functional Programmes, workers were exposed to General Education and Development Programmes. Special programmes were conducted for weaker sections i.e. Scheduled Castes and Scheduled Tribes employees. A total of 1359 workers attended various training programmes conducted in Training Establishments in our Projects.

Supervisors :

66 First line shop floor and Mine Supervisors attended Supervisory Development Programme on Productivity, Safety, Cost Control, Communications and Human Relations.

Executives :

Based on systematic identification of training needs of executives, In-company Management Development Programmes were planned with the best faculty available in the country. 348 executives were exposed to either In-company Programmes or were sponsored in prestigious programmes conducted by various establishments in the country.

19. PROGRESSIVE USE OF HINDI

Hindi fortnight, Hindi Week and Hindi Day was celebrated in the offices and units of Company, under which various Hindi competitions were organised and prizes were distributed to winner participants. The messages of Hon'ble Home Minister, State Minister for Mines, Cabinet Secretary and CMD were circulated in all offices/units to be read out on the occasion of Hindi Day. Vigorous efforts were made to fulfil the targets prescribed by Government of India in regard to increased use of Hindi in the Company during the year 2003-04. Employees were motivated to use their working knowledge of Hindi in their day to day official work by conducting Hindi workshops in our Units and Head Office. Check points were made more effective to ensure 100% compliance of Section 3(3) of Official Language Act. Replies of all letters received in Hindi were given in Hindi. Regular review

in regard to progress of Hindi use and difficulties faced in its way was carried out in quarterly meetings of Official Language Implementation Committee under the chairmanship of Unit Heads in Units and the CMD at Head Office. CMD participated in both the meetings of Hindi Salahkar Samiti of Ministry of Mines held on 26th May, 2003 and 8th October, 2003. The Third Sub-Committee of Committee of Parliament on Official language visited Head Office on 4th November, 2003 and inspected the progressive use of Hindi in the office in detail and gave many suggestions to improve and increase the use of Hindi on which action is being taken. The Website of the Company has been made bilingual. All the stamps of the office have been made bilingual. The use of Hindi in computer was further increased. The Annual Report of the Company for the year 2002-03 has also been published in Hindi alongwith English. Office orders at the corporate level have been issued in which instructions have been given to all the officers and staff to sign and to write more and more notings in files in Hindi.

20. SAFETY

Safety continues to be a priority area for HCL in all its activities. During 2003-04 total injury in the mines were 6 compared to 10 in the year 2002-03 registering a reduction of 40%. Two units i.e. KCC and ICC have reported Zero Accident in Mines. No fatal accident occurred during the year.

The recommendation of 9th Conference on Safety in Mines held in February 2002 and the decision taken in Tripartite Committee Meeting on Safety have been implemented. Safety matters are discussed at corporate level with Project Heads and representatives of recognised unions regularly.

21. VIGILANCE ACTIVITIES

For effective control, surprise checks/regular inspections were conducted. Returns and reports were submitted to the statutory agencies and the CVC guidelines, received from time to time, were followed and adhered to as precautionary and preventive measures. A campaign for creating awareness was taken up by organising the Vigilance Awareness Week Celebration commencing from 31st October to 6th November 2003 at all the Units including at Head Office. Stress was given on preventive vigilance with a view to minimise scope for corruption and assisting the management in improving the systems and procedures.