



HINDUSTAN COPPER LIMITED

(A Government of India Enterprise)

AUDITORS

M/s. K B Chandna & Company, New Delhi

M/s. Ray & Company, Kolkata

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BANKERS

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

REGISTERED OFFICE

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



BOARD OF DIRECTORS



Satish C. Gupta



Ajita Bajpai Pande



M. Samajpati



S. K. Mittal



D. Satapathy



K. D. Diwan



Arun Kr. Mago



S. K. Banerjee



Michael Bastian



S. Hazarika



M. K. Murthy



Mukesh Khare



NOTICE FOR ANNUAL GENERAL MEETING

Notice is hereby given that 41st Annual General Meeting of the members of Hindustan Copper Limited will be held on Thursday the 28th August, 2008 at 3.30 pm in the registered office of the Company at 'Tamra Bhavan' 1 Ashutosh Chowdhury Avenue, Kolkata-700 019 to transact the following business :-

Ordinary Business

- 1) To receive, consider and adopt the Audited 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, 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 Arun Kumar Mago as Director on the Board of the Company with effect from 7.1.2008 in terms of Ministry of Mines' order No.10(1)/2002-Met.III dated 7.1.2008 be and is hereby approved."
- 4) To consider and, if thought fit, to pass with or without modifications, the following resolution as Ordinary Resolution :
"RESOLVED THAT appointment of Shri Sakti Kumar Banerjee as Director on the Board of the Company with effect from 7.1.2008 in terms of Ministry of Mines' order No.10(1)/2002-Met.III dated 7.1.2008 be and is hereby approved."
- 5) To consider and, if thought fit, to pass with or without modifications, the following resolution as Ordinary Resolution :
"RESOLVED THAT appointment of Shri Mani Krishna Murthy as Director on the Board of the Company with effect from 7.1.2008 in terms of Ministry of Mines' order No.10(1)/2002-Met.III dated 7.1.2008 be and is hereby approved."
- 6) To consider and, if thought fit, to pass with or without modifications, the following resolution as Ordinary Resolution :
"RESOLVED THAT appointment of Shri Michael Bastian as Director on the Board of the Company with effect from 7.1.2008 in terms of Ministry of Mines' order No.10(1)/2002-Met.III dated 7.1.2008 be and is hereby approved."
- 7) To consider and, if thought fit, to pass with or without modifications, the following resolution as Ordinary Resolution :
"RESOLVED THAT appointment of Dr. Mukesh Khare as Director on the Board of the Company with effect from 7.1.2008 in terms of Ministry of Mines' order No.10(1)/2002-Met.III dated 7.1.2008 be and is hereby approved."



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

“RESOLVED THAT appointment of Shri Shantikam Hazarika as Director on the Board of the Company with effect from 7.1.2008 in terms of Ministry of Mines’ order No.10(1)/2002-Met.III dated 7.1.2008 be and is hereby approved.”

- 9) 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 Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003 and other applicable laws, rules, regulations and subject to such approval as may be required from regulatory bodies, consent of the Company be and is hereby accorded to the Board of Directors for delisting equity shares of the Company from Calcutta Stock Exchange Association Limited, Madras Stock Exchange Limited, Delhi Stock Exchange Association Limited and Ahmedabad Stock Exchange Limited.”

By order of the Board

Place : Kolkata
Date : 1.8.2008

C S Singhi
DGM & Co Secretary

NOTES :

- i) A member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and 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 commencement of the meeting.
- ii) The Register of Members and Share Transfer Books of the Company will remain closed from 26th August, 2008 to 28th August, 2008 (both days inclusive).
- iii) Members are requested to kindly notify immediately change in their address, if any, to the Depository Participants (DPs) in respect of their electronic shares, and to the Company at its registered office in respect of their physical shares, quoting the folio numbers.
- iv) Members desirous of getting any information about the accounts and operations of the Company are requested to address their queries to the Company at least a week prior to the date of the meeting, so that the information required can be made readily available at the meeting.
- v) 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 2008-2009 is being made by C&AG of India. The Annual General Meeting may authorise the Board to fix up an appropriate remuneration of Auditors for the year 2008-2009.
- vi) Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of Item No.3, 4, 5, 6, 7, 8 & 9 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 Arun Kumar Mago, former Chief Secretary, Government of Maharashtra has been appointed as part-time non-official Director of the Company w.e.f. 7.1.2008 in terms of Ministry of Mines' order No.10(1)/2002-Met.III dated 7.1.2008. It is now proposed to regularise his appointment at the ensuing 41st Annual General Meeting of the Company in order to comply with the relevant provisions of the Companies Act, 1956.

Shri Arun Kumar Mago is IAS (1967), MSc (Physics), M. Phil (Social Sciences) and holds diploma in Management and Public Administration. Shri Mago retired in 2004 as Chief Secretary, Government of Maharashtra. Earlier he was Chairman, Maharashtra State Electricity Board and Mumbai Port Trust. Shri Mago has over 37 years experience in different capacities in the State and Central Government in several sectors which include energy, port, urban infrastructure, environment, forest and industries etc. Shri Mago is also independent director on the Board of Shipping Corporation of India Ltd., Yes Bank Ltd. and NHPC Ltd.

None of the Directors of the Company, except Shri Arun Kumar Mago, is in any way concerned or interested in the resolution.

Item No. 4

Shri Sakti Kumar Banerjee, former CMD, National Aluminium Company Ltd. has been appointed as part-time non-official Director of the Company w.e.f. 7.1.2008 in terms of Ministry of Mines' order No.10(1)/2002-Met.III dated 7.1.2008. It is now proposed to regularise his appointment at the ensuing 41st Annual General Meeting of the Company in order to comply with the relevant provisions of the Companies Act, 1956.

Shri Sakti Kumar Banerjee is BE (Civil) from Jadavpur University, Kolkata, fellow and life member of Indian Council of Arbitration, Institution of Engineers, Institute of Directors, Society of Civil Engineers, and executive committee member of Indian Institute of Metal, Kolkata Chapter. Shri Banerjee has over 39 years experience in PSUs and Government organisations in chemical, fertilizer and aluminium sectors. Presently, he is Managing Director, PervCom Consulting Pvt. Ltd. and also independently on the Board of Manganese Ore (India) Ltd., Himadri Chemicals and Industries Ltd. and Techpro System.

None of the Directors of the Company, except Shri Sakti Kumar Banerjee, is in any way concerned or interested in the resolution.

Item No. 5

Shri Mani Krishna Murthy, former CMD, Cochin Shipyard Ltd. has been appointed as part-time non-official Director of the Company w.e.f. 7.1.2008 in terms of Ministry of Mines' order No.10(1)/2002-Met.III dated 7.1.2008. It is now proposed to regularise his appointment at the ensuing 41st Annual General Meeting of the Company in order to comply with the relevant provisions of the Companies Act, 1956.

Shri Mani Krishna Murthy is Mech. Engg. (specialisation in Marine Engineering) from Naval College of Engineering, Maharashtra and MSc in Higher Defence Management from National Defence College, New Delhi. During his career of over 30 years in the Indian Navy, Shri Murthy held many top level and challenging posts in Naval



Dockyards and at sea. He was on the Board of Cochin Shipyard Ltd. for 9 years, initially as Director (Operations) and subsequently as CMD. Currently, Shri Murthy is sharing his knowledge and experience with MBA students of PSGIM, Coimbatore and also independent director of Mazagon Dock Ltd. and Hindustan Shipyard Ltd.

None of the Directors of the Company, except Shri Mani Krishna Murthy, is in any way concerned or interested in the resolution.

Item No. 6

Shri Michael Bastian, former CMD, Syndicate Bank has been appointed as part-time non-official Director of the Company w.e.f. 7.1.2008 in terms of Ministry of Mines' order No.10(1)/2002-Met.III dated 7.1.2008. It is now proposed to regularise his appointment at the ensuing 41st Annual General Meeting of the Company in order to comply with the relevant provisions of the Companies Act, 1956.

Shri Michael Bastian is B.Com and fellow member of The Institute of Chartered Accountants of India (FCA). Shri Bastian had held senior managerial positions in the Union Bank of India at Mumbai, Cochin, Chennai, Bangalore & London and was promoted as General Manager. He was also Executive Director of Vijaya Bank and later officiated as CMD. Shri Bastian was, thereafter, appointed as CMD, Syndicate Bank. Shri Bastian is currently independent director on the Board of Indian Oil Corporation, Orient Paper and industries Ltd. and various other companies.

None of the Directors of the Company, except Shri Michael Bastian, is in any way concerned or interested in the resolution.

Item No. 7

Dr. Mukesh Khare, Professor, IIT (Delhi) has been appointed as part-time non-official Director of the Company w.e.f. 7.1.2008 in terms of Ministry of Mines' order No.10(1)/2002-Met.III dated 7.1.2008. It is now proposed to regularise his appointment at the ensuing 41st Annual General Meeting of the Company in order to comply with the relevant provisions of the Companies Act, 1956.

Dr. Mukesh Khare is Ph.D in faculty of engineering (specialisation in Air Quality) from University of New Castle, UK and Fellow, Wessex Institute of Great Britain. Dr. Khare has published over 50 research articles in professional journals and written three books on environment and pollution. He is currently serving as Professor in the Department of Civil Engineering at IIT, Delhi and also Consultant (Air Pollution), Govt. of India.

None of the Directors of the Company, except Dr. Mukesh Khare, is in any way concerned or interested in the resolution.

Item No. 8

Shri Shantikam Hazarika, Director, Assam Institute of Management has been appointed as part-time non-official Director of the Company w.e.f. 7.1.2008 in terms of Ministry of Mines' order No.10(1)/2002-Met.III dated 7.1.2008. It is now proposed to regularise his appointment at the ensuing 41st Annual General Meeting of the Company in order to comply with the relevant provisions of the Companies Act, 1956.

Shri Shantikam Hazarika is BE (Electrical) and holds PG diploma in Management from IIM, Ahmedabad. He is founder director, Assam Institute of Management and a member of Assam State Electricity Board. Shri Hazarika



is also chairman ,Gauhati Stock Exchange Ltd and independent director on the Board of North Eastern Electric Power Corporation Ltd. and Lower Assam Electricity Distribution Company Ltd.

None of the Directors of the Company, except Shri Shantikam Hazarika, is in any way concerned or interested in the resolution.

Item No. 9

The equity shares of the Company are presently listed on Bombay Stock Exchange Limited (BSE), Calcutta Stock Exchange Association Limited (CSE), Madras Stock Exchange Limited (MSE), Delhi Stock Exchange Association Limited (DSE) and Ahmedabad Stock Exchange Limited (ASE).

The equity shares are actively traded only on the BSE and in the remaining four exchanges, no trading has been reported. There is, therefore, no tangible advantage accruing to the shareholders in continuing to keep the shares listed on CSE, MSE, DSE and ASE. On the other hand, it results in recurring cost and additional administrative work. It is, therefore, proposed to delist the equity shares of the Company from CSE, MSE, DSE and ASE. However, with extensive networking of BSE, the investors/shareholders have sufficient opportunity to trade in HCL's shares.

As per the SEBI (Delisting of Shares) Guidelines, 2003, shares of any listed company can be voluntarily delisted from all or some of the stock exchanges where the shares are listed, by following the procedure laid down therein. In terms of the guidelines, prior approval of the shareholders of the Company by way of special resolution in its general body meeting is required for delisting. Your directors, therefore, recommend the special resolution for approval of the shareholders.

Since the Company's shares will continue to remain listed in BSE having nationwide trading terminal, Company is not required to give exit option to the shareholders within the jurisdiction of CSE, MSE, DSE and ASE.

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

Your Directors have pleasure in presenting the fortieth annual report of the Company together with the audited statement of accounts and auditors' report thereon for the year ended 31st March, 2008.

1. FINANCIAL PERFORMANCE

The comparative working results for the years 2007-08 and 2006-07 are as under :

(Rs in crore)

Particulars	2007-08	2006-07
i. Sales (tonnes)	45,384	42,303
ii. Turnover	1839.79	1799.64
iii. Profit before tax	302.50	331.83
iv. Net profit after tax	246.46	313.94

Highlights

- The turnover was the highest since inception, registering 2.23% growth over 2006-07;
- Copper sales at 45,384 tonnes was the highest in last 9 years, and 7.28% higher than 42,303 tonnes sold in 2006-07; and
- Net profit after tax during the year was adversely affected primarily due to reduction in net realization on account of rupee appreciation (US dollar exchange rate during 2007-08 being Rs. 40.54 compared to Rs. 45.50 in 2006-07).

2. PRODUCTION PERFORMANCE

The comparative physical performance for the years 2007-08 and 2006-07 is as under :

Products	2007-2008				2006-2007			
	KCC	ICC	MCP	Total	KCC	ICC	MCP	Total
Ore raised (In '000 tonnes)	1003	49	2193	3245	1001	-	2270	3271
Ore milled (In '000 tonnes)	955	-	2335	3290	1010	-	2155	3165
Metal in concentrate (tonnes)	8952	314	22112	31378	9267	-	20964	30231
Cathodes (tonnes) - Own	27886	16848	-	44734	24258	14265	-	38523
Tolled	-	-	-	-	1262	-	-	1262
Total	27886	16848	-	44734	25520	14265	-	39785
CC Wire Rod (tonnes) - Own	}			42536	}			39393
Conversion	}	TCP		15687	}	TCP		3352
Total	}			58223	}			42745

KCC-Khetri Copper Complex, ICC-Indian Copper Complex, MCP-Malankhand Copper Project, TCP-Taloja Copper Project, CC Wire Rod-Continuous Cast Wire Rod



Highlights

- Production of copper ore, metal in concentrate (MIC), cathode and CC wire rod was higher than targets – having achieved 101%, 101%, 112% and 154% of the respective targets during 2007-08;
- Cathode production at 44,734 tonnes was the highest in last 13 years;
- Production of CC wire rod at 58,223 tonnes was the highest since inception.

3. TECHNOLOGICAL UPGRADATION OF ICC SMELTER

An agreement for technology transfer and supply of equipment, such as concentrate burner and cooling element, to ICC smelter at Ghatsila was signed with M/s. Outotec, Finland on 8.11.2007. This is a need based step towards technological upgradation and debottlenecking of the ICC smelter. Installation of the new equipment would run concurrently with the smelter overhauling work, which has started from 4.4.2008. On completion, the smelter capacity would rise to 20,500 tonnes per annum from the existing 16,500 tonnes per annum. In addition, the smelter operation would become more energy efficient with a longer campaign life of the flash furnace.

4. IMPETUS TO MINING & MIC PRODUCTION

Surda mine at ICC, which was lying closed since 2003, has been reopened in December 2007, ahead of the planned schedule. During 2007-08, the mine produced 314 tonnes of copper metal in concentrate (MIC).

Development of Banwas copper deposit in Rajasthan, which is contiguous with the Khetri deposit, is planned as a separate mine in association with a competent mining company. The agency so selected would bring in new technology and make the required investments in the project which would include a new concentrator plant. With an ore reserve of about 22.5 million tonnes @ 1.69% copper content, Banwas is expected to produce 15,000 tonnes of copper metal in concentrate (MIC) annually.

Shortage of water has been a major bottleneck to achieve higher capacity utilization of the concentrator plant at KCC. To address the situation, a consultant has been appointed to identify new resources and suggest measures for increasing availability from existing sources.

To improve water conservation and recycling in the concentrator plant at KCC, a consultant has been appointed to carry out a feasibility study for installing thickened tailing disposal (TTD) system.

A reputed mining consultant has been engaged to study and identify short-term and long-term measures for MCP (open cast) mine and KCC (underground) mines. The short-term recommendations are under implementation while action plan is being formulated to implement the long-term recommendations.

The Company has formed a separate department for modernization to institutionalise implementation of strategic initiatives and to drive the agenda for debottlenecking and upgrading mining and plant operations on a long term basis.

5. POWER SUPPLY

Power supply position in the units of the Company was generally satisfactory during the year.

However, there were repeated power outages in ICC due to breakdowns in the systems of Jharkhand State Electricity Board (JSEB). The Company is examining various alternatives to overcome these bottlenecks in future.



6. ENERGY CONSERVATION

The Company continued to give priority to energy conservation at various stages of the production processes right from mining of ore to extraction of copper metal and by-products. Special efforts were made in making all operations energy efficient. For improving energy efficiency in the four individual units (i.e. Khetri Copper Complex, Indian Copper Complex, Malanjhand Copper Project & Taloja Copper Project), an expert agency was appointed as technical consultants to carry out energy audit and to identify and recommend energy saving measures. Most of the recommendations of the consultant have been implemented and the balance are in progress. Energy audit cells of all the units are also constantly monitoring energy consumption in mines, plants and townships for overall reduction in energy consumption. Constant thrust was also given to improve power factor.

The achievements in regard to reduction in specific consumption over the previous year are shown below :

SI No.	Specific Consumption	Unit	2006-07	2007-08	Energy Reduction (%) in 2007-08 over 2006-07
1	KCC smelter power	Kwh/T	1040.00	896.28	13.82%
2	KCC sulphuric acid power	Kwh/T	244.81	239.36	2.23%
3	KCC smelter fuel	Ltr/T	699.80	652.78	6.72%
4	KCC sulphuric acid fuel	Ltr/T	45.78	33.76	26.26%
5	KCC smelter oxygen	Nm ³ /T	687.10	629.66	8.36%
6	ICC refinery power	Kwh/T	284.82	278.30	2.29%
7	MCP mines power	Kwh/T	0.603	0.503	16.58%
8	MCP HSD consumption	Ltr/m ³	1.45	1.31	9.66%
9	TCP power	Kwh/T	99.56	83.90	15.73%
10	TCP natural gas consumption	Nm ³ /T	54.78	45.81	16.37%

7. ENVIRONMENT & POLLUTION CONTROL MEASURES

The ambient air quality is regularly monitored at the mines, process plants and residential areas of all units. The air pollution control projects, which were commissioned previously for meeting Pollution Control Board standards for gaseous emission from smelters and other plants, continued to be operational. An environment audit has been carried out during the year through an expert agency. Remedial measures based on their recommendations are being implemented at all the units.

Effluent treatment facilities installed at the units of the Company worked satisfactorily during the year and met regulatory norms set by State Pollution Control Boards. Recycling of process-discharged water after treatment also continued throughout the year. Solid waste from plants and hospitals was properly treated and safely disposed off or stored. To protect the environment and maintain ecological balance in the surrounding areas, Company undertakes tree plantation in and around its production units on a regular basis. Further, measures have also been taken to protect flora and fauna. Stress was given on housekeeping, cleanliness, hygiene and safety throughout the year at all units. Environment related workshops and seminars were conducted during the year.