

URANIUM CORPORATION OF INDIA LIMITED

(A Government of India Enterprise)

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BOARD OF DIRECTORS

Shri R. Gupta
Chairman & Managing Director

Shri D. Acharya
Director (Technical)

Shri R. P. Gupta
Director (Finance)
(w.e.f. 26.10.2007)

Ms. Revathy Iyer
(w.e.f. 18.10.2007)

Shri V. R. Sadasivam

Shri A. K. Basu
(w.e.f. 29.04.2008)

Shri M. L. Majumdar

Prof. S. P. Mehrotra

Shri R. N. Jayaraj

Dr. Anjan Chaki

Shri K. R. Sivaraman
Director (Finance)
(up to 29.09.2007)

Shri V. P. Raja
(up to 18.10.2007)

Shri P. P. Sharma
(up to 19.03.2008)

Shri P. V. Dubey
Company Secretary

AUDITORS

M/s. S. Ganguli and Associates
Chartered Accountants
"Tasi House", 1st Floor, 74/2A
Golf Club Road, Kolkata - 700 033

EXECUTIVES

C & MD	Shri R. Gupta
Director (Technical)	Shri D. Acharya
Director (Finance)	Shri R. P. Gupta
General Manager (Mech)	Shri Pinaki Roy
General Manager (Elect)	Shri S. N. Banerjee
General Manager (Pers)	Shri K. Mahali
General Manager (TP)	Shri N. M. Bahl
General Manager (Tech.Services)	Shri S. Siddique
General Manager (Mill)	Shri S. K. Shrivastava
General Manager (Mines)	Shri S. C. Bhowmik
Dy. General Manager (Mech)	Shri Niranjan Mishra
Dy. General Manager (Elect)	Shri Rajan Prasad
Dy. General Manager (Mines)	Shri G. S. Ghosh Hazra
Dy. General Manager (Purchase)	Shri A. K. Sinha
Dy. General Manager (Mech)	Shri A. Madhusudana Rao
Dy. General Manager (Elect)	Shri U. C. Mallik
Dy. General Manager (Elect)	Shri P. K. Dhar
Dy. General Manager (Mines)	Shri P. N. Sarkar
Dy. General Manager (Mines)	Shri Ajay Ghade
Dy. General Manager (Mech)	Shri S. K. Guhaniyogi
Dy. General Manager (Mech)	Shri C. S. Shiva Kumar
Company Secretary	Shri P. V. Dubey

NOTICE

Notice is hereby given that the **Forty-first** Annual General Meeting of the **Uranium Corporation of India Limited** will be held at "DAE Guest House, Dhruva, Opposite Safdarjung Hospital Emergency Gate, Kidwai Nagar West, New Delhi" on **Thursday, the 25th September, 2008 at 1300 hours** to transact the following business :

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended 31st March, 2008 and the Balance Sheet as at that date, together with the Reports of the Board of Directors and the Auditors thereon.
2. To declare dividend for the financial year 2007-2008.

SPECIAL BUSINESS:

3. Increase in share capital and amendment to Memorandum of Association of the Company.

To consider and, if thought fit, to pass, with or without modification, the following resolutions;

As Ordinary Resolution:

- (i) **"RESOLVED** that the authorized share capital of the company be increased from Rs.1000 crore to Rs.1500 crore divided into 150,00,000 share of Rs.1000/- each".

As Special Resolution:

"RESOLVED that the following words in clause-v of Memorandum of Association viz. 'The authorized capital of the company is Rs.1000 crore divided into 100,00,000 shares of Rs.1000 /- each'be substituted by the words -

'The authorized capital of the company is Rs.1500 crore divided into 150,00,000 shares of Rs.1000/- each....'.

4. Amendment to Articles of Association :

"RESOLVED FURTHER that the existing articles-5 of the Articles of Association be substituted by the following:

"5. The authorized capital of the company is Rs.1500,00,00,000/- (Rupees one thousand five hundred crore)".

By Order of the Board of Directors

No.UCIL/CS-2(41)/2007-2008
September 01, 2008

P. V. Dubey
Company Secretary

To

All Members :

1. Shri R.Gupta, C&MD, UCIL, Jaduguda.
2. Ms. Revathy Iyer, Jt. Secy.(I&M), DAE, Mumbai-400 001.
3. Shri V. R. Sadasivam, Jt. Secy. (Finance), DAE, Mumbai-400 001.
4. Ms. Lathika Goel, Dy. Secretary (I&M), DAE,Mumbai-400 001 - President's representative

Copy to: M/s D.K. Chhajer & Company
Chartered Accountants
5, Old Court House Street
Kolkata - 700 001.

Copy to: M/s S.Ganguli and Associates
Chartered Accountants
Tasi House, 1st Floor,
74/2A, Golf Club Road
Kolkata – 700 033.

By Registered Post

Note : 1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and proxy need not be a member of the company (Proxy Form in duplicate is enclosed).

2. The relevant explanatory statement pursuant to Section-173(2) of the Companies Act, 1956 in respect of Special Resolutions is annexed hereto.

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

RESOLUTIONS AT ITEM NOS: 3 & 4:

In view of the new schemes/projects coming up, funds in the form of equity are being received by the company from the Government. It is necessary to increase the authorized capital to enable the company to issue shares against equity investment to be made by the Government. Share capital can be increased as per article-31 of the Articles of Association which provides that subject to the approval of the President, the Directors may with the sanction of the company in general meeting, increase the share capital by such sum to be divided into shares of such amount as the resolution shall prescribe.

It is, therefore, proposed to increase the authorized capital of the company from Rs.1000 crore to Rs.1500 crore and amend the relevant provisions of the Memorandum of Association and Articles of Association in this regard.

No Director of the company is concerned or interested in the resolution.

From the Chairman's Desk

Dear members,

My heartiest welcome to all of you to this 41st Annual general Meeting of the company. The audited statement of accounts of the company for the year 2007-08 along with the Director's Report have already been in your hand and with your permission, I take them as read.

It gives me immense pleasure to place on record the satisfying performance of all the operating units of your Company for the year 2007-08. Jaduguda mine, in spite of its increasing depth, has registered 61.31% capacity utilization as against 58.06% during previous year. Bhatin too has improved on capacity utilisation recording 59.12% compared to 57.45% during previous year. In order to sustain the trend of higher capacity utilisation in Narwapahar mine, emphasis was laid on development of this mine that has resulted in 118.91% capacity utilisation in 2007-08 compared to 122.70% during previous year. Delay in commissioning of Turamdih mill necessitated utilisation of resources of Turamdih mine for deeper level development to provide sustained production in future. During the year, capacity utilisation of the mine was 59.49% as against 83.12% in the previous year. The first opencast mine of your company was commissioned in June 2007 to produce 2400 tpd ore. I am delighted to inform you that this mine is now ready to produce 3500 tpd as a part of its expansion plan.

During the year, capacity utilization of Jaduguda plant was 111.94% as against 115.88% in the previous year. This was due to removal of an old ball mill as a bigger mill of 500 tpd is to be installed for capacity expansion of the plant. The plant at Turamdih is on full load trial run and expansion of this plant from 3000 tpd to 4500 tpd is underway. I feel elated to inform you that the first delivery of MDU from this plant has already been sent to Nuclear Fuel Complex.

The performance of your Company has been rated as "Good" in accordance with the MoU signed with the Department of Atomic Energy during 2006-07. Your company has successfully retained the continuity of all the three ISO certifications – ISO 9001:2000, 14001:2004 and IS 18001:2000.

Friends, you are aware that your company has taken up massive expansion programme of constructing several new mines and plants. Production from Singhbhum is set for a substantial increase with the completion of expansion of Jaduguda and Turamdih plants. Bagjata underground mine is set to be commissioned during 2008 and the mine development at Mohuldih is on schedule. Mine and mill construction at Tummalapalle in Andhra Pradesh is also on plan. Your company has made significant progress towards implementation of Kylleng-Pyndengsohiong, Mawthabah (KPM) uranium project in Meghalaya. Site activities will start soon after the approval of Govt. of India. The activities of Lambapur uranium project are held up as the subject of environmental clearance of mine is pending with National Environmental Appellate Authority. NEAA has completed the hearings and the verdict is expected soon. Your company has also taken up exploratory mining on behalf of Atomic Minerals Directorate for Exploration and Research at Gogi in Karnataka and the work is progressing satisfactorily. Exploratory mining at Rohil in Rajasthan shall start after ensuring the suitable water source in the vicinity.

In the light of global developments in nuclear co-operation and the inherent opportunities therein, your company has initiated steps to undertake uranium exploration and mining abroad through Public-Private partnership mode.

Your company is dedicated towards wide-ranging development of its surroundings as a part of its Corporate Social Responsibility. Apart from infrastructural development work, vocational training to the local unemployed youths, free medical services to the local people, free education to the children belonging to economically backward families etc carried by your company are widely acclaimed by the people of the area in Jharkhand, Andhra Pradesh and Meghalaya. These measures are being implemented by 'UCIL Social Development Committee' constituted for this purpose. Your company has set up a Rural Medical Centre at Narwapahar to provide free medical treatment to the BPL card holders living in nearby villages. An Industrial Training Centre at Turamdih to equip local youths with desired skill has been set up and the first batch of 48 students has been enrolled in academic year 2008-09.

Your company gives high priority towards the development of human resources for the successful implementation of the ongoing expansion programme. Recruitment of sizable batch of management trainees and the development of their skill through specialised training are underway in addition to the usual on-site skill up-gradation exercise of regular employees.

Your company continues its efforts to implement various provisions of Official Language Act 1963 and has hosted 10th Akhil Bharatiya Rajbhasha Sammelan, DAE at Jaduguda with participation from all the units of DAE.

Your company has intensified the public awareness activities around its operating units and new sites to educate the media and the people living in and around the facilities. A new Information Exhibition Center at Narwapahar is being set up for this purpose.

Dear members, the days ahead of your company are full of excitement and opportunities to deliver the best. I sincerely look forward to your guidance and co-operation. I take this occasion to express my gratitude to the Department of Atomic Energy and its various constituents for their direction and assistance. My compliments to all the employees of the company and my colleagues on its Board, for their sincere efforts and dedicated commitment to take the company to a new height. My special thanks to the retiring members of the Board of the Company for their support, valuable suggestions and untiring efforts during the tenure.

Now, I move the Directors' Report, balance sheet as at 31st March 2008 and profit & loss accounts for the year ended on 31st March 2008 for your consideration, approval and adoption.

Thanking you,

New Delhi
September 25, 2008

R. Gupta
Chairman & Managing Director

DIRECTORS' REPORT

To
The Shareholders,
Uranium Corporation of India Limited
Jaduguda.

Gentlemen,

Your Directors have pleasure in presenting herewith the Forty-first Annual Report of your company and Audited Accounts for the year ended 31st March 2008 together with the report of the Statutory Auditors and report of the Comptroller and Auditor General of India thereon.

1.0 Performance Highlights:

1.1 Financial Performance:

	Rupees in Lakh	
	Current Year 2007-2008	Previous Year 2006-2007
Income	30,436.32	29,780.68
Profit Before Depreciation & Prior Period Adjustment	4,760.44	7,198.82
Less: (a) Deprecation	2,517.89	2,592.06
(b) Prior Period Adjustment	100.72	228.77
Profit Before Tax	2,141.83	4,377.99
Less: (a) Provision for Tax	882.00	1,656.00
(b) For Earlier Year	(80.04)	—
(c) Provision for Deferred Tax	(152.30)	(36.83)
(d) Fringe Benefit Tax	29.39	8.28
Profit After Tax	1,462.78	2,750.54
Add: Brought Forward from Last Year	8,499.21	7,267.64
Amount available for Appropriation	9,961.99	10,018.18
Appropriation:		
General Reserve	370.00	700.00
Proposed Dividend	370.00	700.00
Tax on Dividend	62.88	118.97
Balance Carried to Balance Sheet	9,159.11	8,499.21

During the year, your company contributed Rs.1496.33 Lakh to the Exchequer on account of Income Tax, Fringe Benefit Tax, Central Sales Tax, VAT, Entry Tax, Excise Duty, Customs Duty (Import) and Royalty.

1.2 Operating Performance:

- **Jaduguda Mine**

Ore reserves in the upper horizon have depleted over the years and mining activities are now concentrated mostly at 555 M level and below. The richer and wider western segment of the ore body is shrinking as workings move in depth forcing more mining activities to move to the eastern segment, which is narrow, poorer in grade and fragmented. However, the performance of the mine has improved during the year registering 61.31% capacity utilization as against 58.06% during previous year.

- **Bhatin Mine**

During the year, the capacity utilization of the mine has improved to 59.12%, compared to 57.45% of previous year.

- **Narwapahar Mine**

This mine is constantly performing over its capacity. To sustain this trend, emphasis was given to development work causing slight fall in capacity utilization in comparison to last year. The capacity utilization of the mine during the year was 118.91% compared to 122.70% during previous year.

- **Turamdih Mine:**

In order to augment the production capacity of your company, this mine was reopened in November 2002 and commissioned in September 2003. This is the second mine of its kind after Narwapahar using modern mechanized mining technology. As the commissioning of Turamdih mill was delayed, emphasis was given for development work so that mine may give sustained production in future. During the year, capacity utilization of the mine was 59.49% as against 83.12% in the previous year.

- **Jaduguda Mill**

During the year, capacity utilization of the mill was slightly less than the previous year i.e. 111.94% as against 115.88% in the previous year. This was due to removal of an old ball mill as a bigger mill (500 TPD) is to be installed as part capacity expansion project of Jaduguda Mill.

- **Banduhurang Opencast Mine:**

This is the first opencast mine of your company constructed to feed ore to new mill at Turamdih. This mine was originally planned for 2500 TPD. The mine is now being expanded to produce 3500 TPD. Expansion work is progressing as per schedule.

- **Turamdih Mill**

This plant was commissioned for trial run on 25.06.2007 and is under stabilization. Expansion of this mill from 3000 TPD to 4500 TPD is underway.

- **By-product Recovery Plant**

By-product Recovery Plant producing magnetite has registered capacity utilization of 71.23% compared to 71.33% during last year.

1.3 New Projects and Expansion Schemes:

- **Bagjata Underground Mine:**

Construction of this mine is progressing as per schedule. Shaft sinking work of this mine has been done upto 300 m and lining upto 293 m. Excavation of 300 mL plat is in progress. The estimated cost of the project is Rs.97.05 crore.

- **Mohuldih Underground Mine:**

Mohuldih Mine is located near to Banduhurang opencast mine. Construction of this mine, at an estimated cost of Rs.90.32 crore is progressing as per schedule. The technology of this mine will be similar to Narwapahar and Turamdih.

- **Tummalapalle Uranium Project:**

Chief Minister of Andhra Pradesh, Mr. Rajashekhar Reddy, has laid down the foundation stone of Tummalapalle Uranium Project on 20th November 2007. The estimated cost of this project is Rs.1106.29 crore. Pre-project activities like land acquisition, tendering for power supply by Transmission Corporation of Andhra Pradesh Limited (APTRANSCO), construction of hostel accommodation and processing of major packages for mine construction and process plant had been undertaken in advance of project approval. The proposed ore processing plant at Tummalapalle will adopt alkali leaching (under pressure) method designed with collective research inputs from BARC, AMD and UCIL.

- **Lambapur-Peddagattu Project:**

MoEF has given clearance in principle for diversion of forest land in mines area. The capital cost of this project has been estimated to be Rs.558.05 Crore. Final clearance from MOEF for mines has been obtained, but could not be effected as an NGO approached to National Environment Appellate Authority and filed an appeal for redressal of their grievances. The verdict is still awaited.

- **KPM Project, Meghalaya:**

The environmental clearance for KPM Project located in the West Khasi Hills district of Meghalaya was issued by the Ministry of Environment & Forests (MoEF), Govt. of India on 20th December 2007. The estimated capital cost of this project is Rs.1047.32 crore. Final Govt. approval is awaited.

- **Gogi Project, Karnataka:**

Your Company has been assigned the work of exploratory mining on behalf of AMD. M/s Technomin has been engaged to carry out the shaft sinking work of this project situated in Gulberga district of Karnataka. This deposit will be taken up for commercial operation based on the outcome of exploratory mining.

- **Rohil Uranium Deposit:**

This deposit is situated at Rohil-Ghateswar in Sikar district of Rajasthan. An MoU has been

signed between your company and AMD to carry out exploratory mining on 5th October 2007. Project report for exploratory mining has been prepared and LOI has been issued by the company for sinking the shaft on the site on behalf of AMD. The work shall be taken up only after source of water for the project is ensured.

1.4 MOU Performance:

Performance of your company, in terms of the Memorandum of Understanding signed with the Department of Atomic Energy, Government of India, was rated as GOOD for the year 2006-07.

2.0 Dividend and Transfer to Reserve

Your Directors are pleased to recommend dividend of Rs.370.00 Lakh on the paid up capital of Rs. 79264.78 Lakh as against Rs.700.00 Lakh in the previous year on paid up capital of Rs. 69094.28 lakh. Accordingly, an amount of Rs.370.00 lakh has been transferred from the profit of the year to the General Reserve and a provision of Rs.62.88 lakh has been kept towards tax on dividend in the accounts for the year 2007-08.

3.0 Share Capital

During the year, the authorized share capital of the company was Rs.1000.00 Crore and the subscribed share capital stood at Rs.792.65 crore as on 31.03.2008.

4.0 Conservation of Energy/Technology Absorption, Adaptation, Innovation and Foreign Exchange used and earned

Information in accordance with the provision of Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988, regarding the conservation of energy, technology absorption and foreign exchange used and earned is given in the Annexure-I to this Report.

5.0 Industrial Relations:

During the year, the industrial relations at all the units remained satisfactory. Regular discussions with the union representatives were held to sort out the problems related with the workers. Efforts were also been made to encourage workers participation in managing the issues like Welfare, Promotion, Administration, House Allotment etc.

6.0 Manpower:

Total manpower strength of your company as on 31st March 2008 was 4439. During the year, 154 persons were recruited in Group A, B, C & D and nineteen employees were relieved under Voluntary Retirement Scheme. The overall representation of Scheduled Castes & Schedules Tribes in your company was 408 and 1647 respectively, which constituted about 46.29% of the total strength of the company. There were 44 Ex-Servicemen and 49 Physically Handicapped persons on the rolls of the company as on 31.03.2008. Constant efforts were made to fill up the quota for the reserved categories as laid down in the government guidelines.

7.0 Workers' Participation in Management:

During the year, your company continued to maintain harmonious industrial relations through its participative management approach. As a part of this, meetings of Shop Councils were held regularly. During the period under review, 38 meetings of Shop Councils were held. Employees had been given representation on the Board of Trustees on Provident Fund, Gratuity Fund, Death Benefit Fund,

Karmachari Pariwarik Sahayata Yojana, Welfare Fund Scheme, Co-operative Credit Society etc. They also participated as members of other forums viz., Safety Committee, Canteen Managing Committee, Sports Council etc. Joint Council meetings chaired by the Chairman & Managing Director, were also conducted periodically to resolve various issues related to the employees.

8.0 Particulars of Employees:

Pursuant to the Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended from time to time, none of the employees of your company was in receipt of remuneration in excess of limits prescribed under the said rules.

9.0 Human Resource Development & Training:

Your Company recognizes that Human Resource is key to the organizational success and contribution of each of the employees is extremely important for its growth. As part of the initiative towards human resource development, consistent efforts have been put in by your company to ensure the best work force through adequate training and development. During the year 2006-07, several In-house training programmes were organised for Officers and Supervisors in the Management Training Centre. So far as the Workers are concerned, 1379 employees were imparted vocational training. 88 persons were trained under Apprentice Act. 63 employees were sponsored to various institutions for attending seminar, workshop, and training to acquire necessary skill and enrich their professional knowledge. Seven officers were also deputed abroad for attending international seminars & conferences etc. In order to right-size its human resource component, Voluntary Retirement Scheme for identified categories of employees was re-introduced during the year and as a result of which total 19 employees were separated.

10.0 Safety:

Your company is committed to provide a safe and healthy work place for all its employees. Safety Committees of different divisions met from time to time in order to inculcate safety culture and monitor the activities related to industrial safety in your organization. Annual Safety Week Campaign was also organized in all units of your company during the year in order to increase safety consciousness amongst the employees.

11.0 Employees Welfare & Social Amenities:

Your Company is fully committed to its corporate social responsibilities. It has several ongoing welfare and community development programmes running in villages located around the operations. Company provides infrastructural and financial support to youths of nearby villages in their health, educational, cultural and sports activities. A committee comprising of senior company officials and representatives of local youths has been constituted and provided with required funds in the annual budget for this purpose.

The vocational training programme to local unemployed youths in collaboration with Jan Sikhshan Sanstha (an organization under the Ministry of Human Resource Development) is being conducted regularly to impart training in fields suitable for self-employment.

Your company has set up a Rural Medical Centre at Narwapahar to provide free medical treatment to the BPL card holders living in nearby villages. Besides this, Company organizes free medical camps periodically and distributes free medicines to the surrounding villagers.

Your Company is opening an Industrial Training Centre to equip local youths residing in surrounding

areas particularly youths from land displaced families, with skills required in Industries. We are happy to announce that classes for first batch of 48 students will start from academic year 2008-09. Company has also decided to conduct a survey in surrounding villages to know the aspirations of the people. Field work of the study has been completed. Company will formulate the scheme for the villagers on the basis of the findings of report.

The Talent Nurture Programme (TNP) of your company continued to impart free education to the children of the economically backward people of the surrounding villages. 27 Children selected during the year under this programme from the tribal community of the surrounding villages were admitted to Atomic Energy Central Schools run by the company. With this, the total number of students admitted under TNP stood at 205 till date. Apart from free education, these students are provided with complete set of text books, exercise books and uniforms free of cost and also a monthly stipend.

12.0 Corporate Governance:

A report on Corporate Governance is given in Annexure-II.

13.0 Public Deposit:

Your company has not accepted “deposits” from the public during the period under review.

14.0 Ecology & Environmental Protection:

Your company accords highest priority on Ecology and Environmental protection. An Environmental Survey Laboratory of Bhabha Atomic Research Centre (BARC) located at Jaduguda undertakes surveillance of all operations and surrounding areas regularly. External gamma radiation, Radon concentration, suspended particulate matters, airborne long lived Alpha activity and concentration of radio nuclides- uranium and Radium in surface and ground water, in soil and food items etc are monitored regularly.

Your Company has taken initiatives in plantation of trees in plant and colony areas in order to maintain healthy and pollution free environment. For encouraging plantation in neighbouring villages, saplings were distributed through the Nursery to the intending villagers free of cost.

15.0 ISO Certification:

Your company has obtained ISO 9001:2000 certification for Quality Assurance, ISO 14001:2004 certification for Environmental Management System and IS-18001:2000 certification for Occupational Health and Safety Management System. It reflects the commitment of the company towards safe and environment friendly operations in all its existing and upcoming projects.

16.0 Small Scale Industries

During the year, your company continued to support development of various small-scale industries in the adjoining areas by purchasing their products to the maximum possible extent.

17.0 Foreign Travel

The expenditure on foreign travel during the year was Rs.3.46 lakh as against Rs 6.96 lakh in the previous year.

18.0 Advertisement & Publicity

During the year, expenditure on advertisement and publicity was Rs.210.28 Lakh as against

Rs.69.57 Lakh in the previous year. The expenditure was mostly for advertisements in connection with new appointments, tender notices etc.

19.0 Guest House Expenditure

The total expenditure under this head (including depreciation, repairs and maintenance, etc.) during the year was Rs.35.81 lakh as against Rs.34.24 lakh in the previous year.

20.0 Progressive use of Hindi

Your company continued its intensive efforts to propagate and implement various provisions of Official Language Act 1963 and rules and orders there under during the year. Your company has hosted 10th Akhil Bharatiya Rajbhasha Sammelan, DAE at Jaduguda. It had participation from all the units of DAE. Meetings of the Rajbhasha Karyanvayan Samiti were held periodically to review the progress. Employees were rewarded with various cash incentives through competitions. Hindi workshops were also held from time to time. During the year, 3 officials were declared successful in Hindi examinations conducted by the Department of Official Language Hindi Teaching Scheme, Govt. of India.

21.0 Appointment of Auditors

M/s S. Ganguli & Associates, C/o Mr. H.N. Jha, Flat No.3, N. Road Shrestha Apartment, 1st Floor, Bistupur, Jamshedpur – 831001 is appointed as Auditor of the company by the Comptroller & Auditor General of India for the financial year 2008-09.

22.0 Vigilance

Your company is aware that transparency and accountability yield desired level of efficiency in operation of your company. Therefore, your Company exercised preventive vigilance and increased awareness among the employees for maintaining corruption free environment. The vigilance set up of your company is comprised of five Vigilance Officers headed by a Chief Vigilance Officer. In addition, seven senior officers of different divisions have been authorized to conduct surprise checks and verify stores & other works. During the year, reports/returns were submitted to the Central Vigilance Commission periodically. The Vigilance Awareness Week 2007 was observed by your company from 12th November 2007 to 16th November 2007.

23.0 Directors (Appointment/Cessation):

Ms. Revathy Iyer, Joint Secretary (I&M), DAE, Shri R.P.Gupta, Director (Finance), UCIL and Shri A.K.Basu, Chief Secretary, Govt. of Jharkhand were appointed as Directors of the Company w.e.f. 18.10.2007, 26.10.2007 and 29.04.2008 respectively.

Shri K.R.Sivaraman, Director (Finance), Shri V.P.Raja, Addl. Secretary (I&M) and Shri P.P.Sharma, Chief Secretary, Govt. of Jharkhand, ceased to be Directors of the company w.e.f. 29.09.2007, 18.10.2007 and 19.03.2008 respectively. The Directors wish to place on record their appreciation of the valuable services rendered by the outgoing Directors of the company.

24.0 Outlook

Your Directors are pleased to inform you that the ongoing expansion programme undertaken by your Company to augment uranium production is being implemented successfully. Projects undertaken in the Singhbhum East district of Jharkhand viz., Banduhurang Opencast mine and Processing Plant at Turamdih are expected to start production this year. Construction of Bagjata and Mohuldih mines is progressing as per the schedule. Construction of mine and other infrastructure facilities at

Tummalapalle Uranium Ore Mining and Process Project has been started. Developmental work has been started in Kylleng-Pyndengsohiong, Mawthabah Project. Public awareness campaign to address the concern of local people is being organised in Meghalaya. With all these activities planned, your Directors are confident that your Company will be able to fulfill its mandate to meet uranium requirement of the nuclear power plant of the country.

25.0 Directors responsibility statement

In accordance with the provisions of Section 217 (2AA) of the Companies Act, 1956, your Directors state:

- (i) That in the preparation of the annual accounts, the applicable accounting standards have been followed.
- (ii) That your Directors have selected such accounting policies based on generally accepted accounting principles and applied them consistently and made judgement 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 or loss of the company for that period;
- (iii) That your Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of your company and for preventing and detecting fraud and other irregularities;
- (iv) That your Directors have prepared the annual accounts on a going concern basis.

26.0 Acknowledgement

Your Directors sincerely acknowledge the continued co-operation, guidance and support received from the Department of Atomic Energy, Atomic Minerals Directorate of Exploration & Research, Nuclear Fuel Complex, Bhabha Atomic Research Centre, Govt. of Jharkhand, Ministry of Corporate Affairs, Department of Public Enterprises and other ministries and the Comptroller & Auditor General of India, Statutory Auditors and office of the Principal Director of Commercial Audit & Ex-officio Member, Audit Board-II, Kolkata, Bankers and all other agencies who are directly or indirectly associated with your company.

Your Directors also wish to express their special appreciation of the hard work put in by each and every employee of the Company and the co-operation extended by the Employees' Union and Officers' Association as well.

For and on behalf of the Board of Directors

R. Gupta

Chairman & Managing Director

New Delhi

Date: September 25, 2008

ANNEXURE-I TO DIRECTORS' REPORT

PARTICULARS REQUIRED UNDER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988

A. CONSERVATION OF ENERGY:

- (a) Following measures were taken for conservation of energy;
1. Installation of capacitors at load centre has been started.
 2. Power factor has been improved by 7%.
 3. Highly efficient HPSV street lighting with automatic switching control has been installed.
 4. Replacing pumping operation by gravity in underground stowing operation in mine.
 5. Solar heating system for worker's change room has been installed.
- (b) Following proposals with additional investment are being implemented for reduction of consumption of energy:
1. Automatic pumping has been introduced using ultrasonic beams for monitoring level of water in underground shafts.
 2. Introduction of electronic ballasts in fluorescent lamp fixtures which reduces losses.
- (c) Impact of measures at (a) and (b)
- Subsequent to implementation of above measures taken at (a) & (b), it is envisaged that power consumption in relevant areas would progressively come down.

FOREIGN EXCHANGE EARNED AND USED:

Your company is not engaged in any export business. However, the foreign exchange used for purchase of spares, capital items etc. during the year was Rs.926.02 lakh.

FORM – B

Form for disclosure of particulars with respect to Research & Development and technology absorption:

RESEARCH & DEVELOPMENT (R&D):

1. Special areas where R&D activities were carried out:

- (a) 1. Leaching tests were conducted on rock samples of different operating mines and new deposits to optimize the process parameters.
- (b) 2. Tests in pilot plant scale were conducted by the joint team consisting of scientists of BARC, UCIL and AMD on the following
- i) Product precipitation
 - ii) Regeneration of reagents
 - iii) Crystallisation of Sodium sulphate

2. Benefits derived as a result of the above R&D work :

- a) The leaching studies on different kinds of uranium ore by varying the parameters have helped in optimizing the leaching efficiency.
- b) Data generated using continuous leaching reactor and Continuous Belt Filter on pilot

plant scale have helped in fine-tuning the process parameters of Tummalapalle ore.

3. Future Plan of Action:

It is planned to conduct some more experiments on ore of Tummalapalle and Gogi uranium deposits to optimize the process parameters and increase recovery.

4. Expenditure on R&D :

(a) Capital	Rs. 57.39 lakh
(b) Revenue	Rs. 96.52 lakh
Total	Rs. 153.91 lakh

5. Technology Absorption, Adaptation and Innovation:

The company has taken steps in the field of uranium mining and milling to absorb latest available technology to improve productivity and making the operations more cost effective. Some of them are –

- (a) Successful introduction of mechanized rock bolting machine (Boltec) for the first time in the mining industry in the country.
- (b) Successful trial blast of bulk

explosive for the first time in underground mine in the country.

- (c) Successful operation for over 3 years of 15 m. extension hole drilling by Jumbo drilling machine.
- (d) Hydraulic cylinders on various imported underground equipments have been standardized reducing variety of cylinders used. This has brought down the frequent break downs, inventory, hydraulic oil consumption, improve the flexibility & achieved higher reliability.
- (e) A hydraulic rock breaker is installed on old/written off ST 3.5, engaged in stopes & grizzlies to prevent/reduce secondary blasting which has brought down the frequency of boulder blasting, workmen fatigue and increased the safety of the workmen.
- (f) A core assay unit has been installed at Physics section of Narwapahar for better understanding of the disequilibrium status in different mineralized horizons.

ANNEXURE-II TO DIRECTORS' REPORT TO SHAREHOLDERS

Corporate Governance

Your Company believes in practicing good Corporate Governance attaining maximum level of transparency, accountability and integrity in all facets of its operations and continued its efforts in this direction.

Board of Directors :

In terms of Section 617 of the Companies Act, 1956, UCIL is a Government Company. The entire paid up capital of the company is held by the President of India, including 3 shares held by his nominees.

The Board has optimum combination of executive and non-executive Directors. The Board, as on 31.03.2008, comprised of nine Directors which included (i) three whole-time Functional Directors viz., Chairman & Managing Director, Director (Finance) & Director (Technical) and (ii) six part-time Non-Executive Directors. The Board meets at regular intervals and is responsible for the proper direction and management of the company.

During the financial year ended March 2008, four meetings of the Board of Directors were held on 26.06.2007, 25.09.2007, 26.12.2007, 24.03.2008. The composition of the Board of Directors, their attendance at the Board Meetings and Annual General Meeting/Extra-ordinary General Meeting etc are as follows:

Name & Position as on 31.03.2008	Category	Board Meetings		Attendance at the AGM held on 25.9.07	No. of other Directorships
		Held during the tenure	Attended		
Executive Directors					
Shri R. Gupta, Chairman & Managing Director	Functional	04	04	NA	
Shri D. Acharya, Director (Technical)	Functional	04	04	NA	
Shri K.R. Sivaraman, Director (Finance) (Up to 29.09.2007)	Functional	02	02	NA	-
Shri R.P.Gupta, Director (Finance) (From 26.10.2007)	Functional	02	02	NA	-
Non-Executive Directors					
Shri V.P. Raja, Addl. Secy (I&M), DAE (Up to 18.10.2007)	Part-time ex-officio	02	02	No	02
Ms. Revathy Iyer Joint Secy(I&M),DAE (From 18.10.2007)	Part-time ex-officio	02	02	Yes	-
Shri V.R.Sadasivam, Joint Secy.(Finance) (From 23.07.2007)	Part-time ex-officio	03	02	NA	-
Shri P.P.Sharma, Chief Secretary, Govt. of Jharkhand (w.e.f. 29.08.2007) (Upto 19.03.2008)	Part-time Ex-officio	02	01	NA	-

Name & Position as on 31.03.2008	Category	Board Meetings		Attendance at the AGM held on 25.9.07	No. of other Directorships
		Held during the tenure	Attended		
Prof. S.P.Mehrotra Director, NML (From 13.08.2007)	Part-time	03	03		-
Shri M.L.Majumdar Retd. Secy. to Govt. of India (From 13.08.2007)	Part-time	03	03		01
Shri R.N. Jayaraj, Chief Executive, NFC	Part-time	04	03	NA	01
Dr. Anjan Chaki Director, AMD	Part-time	04	02	NA	-

The remuneration of the whole-time Directors is fixed by the Government of India as the company is a Government company in terms of Section-617 of the Companies Act, 1956. As regards part-time Directors, since they are either Government officials or officials from other PSUs, they are not eligible for sitting fee for the meetings attended by them.

Audit Committee:

The composition of the Audit Committee as on 31.03.2008 was as follows:

- | | | | |
|----|---|---|----------|
| 1. | Ms. Revathy Iyer
Joint Secretary (I&M)
Department of Atomic Energy | : | Chairman |
| 2. | Shri V.R.Sadasivam
Joint Secretary (Finance)
Department of Atomic Energy | : | Member |
| 3. | Shri D. Acharya
Director (Technical)
Uranium Corporation of India Limited | : | Member |
| 4. | Shri R.N.Jayaraj
Chief Executive
Nuclear Fuel Complex | : | Member |

During the year, four meetings of the Committee were held on 26.06.2007, 25.09.2007, 26.12.2007 and 24.03.2008. The Committee reviewed the annual accounts of the company for the year 2007-08 and also reviewed the report of the internal auditor and statutory auditor.

General Body Meetings:

The Annual General Meetings/Extra-ordinary General Meetings held during last three years are given below :

Year	Date	Time	Venue
2004-05 (EGM)	15.07.2005	1230 Hours	DAE, Mumbai
2004-05 (AGM)	30.08.2005	1230 Hours	ITC Hotel, Kolkata
2005-06 (AGM)	22.09.2006	1300 Hours	UCIL, Shillong
2006-07(AGM)	25.09.2007	1300 Hours	DAE, Mumbai

HIGHLIGHTS

ANNEXURE - I

(Rs. in lakh)

	P A R T I C U L A R S	2007-08	2006-07	Change over 2006-07 Increase / (Decrease)
A.	OPERATING RESULTS			
	Turnover	28,087.81	27,333.30	754.51
	Gross Income	30,436.32	29,780.68	655.64
	Gross Expenditure	28,193.77	25,173.92	3,019.85
	Gross Profit	2,242.55	4,606.76	(2,364.21)
	Profit before Tax and prior period adjustment	2,141.83	4,377.99	(2,236.16)
	Net Profit After Tax	1,462.78	2,750.53	(1,287.76)
B.	YEAR END FINANCIAL POSITION			
	Share Capital	84,164.78	71,264.78	12,900.00
	Reserves and Surplus	12,433.14	11,403.25	1,029.89
	Capital Employed	45,887.22	47,675.16	(1,787.94)
	Net Worth	96,597.92	82,668.03	13,929.89
	Gross Block	67,254.06	61,942.36	5,311.70
	Depreciation	31,011.89	28,192.19	2,819.70
	Net Block	36,242.17	33,750.17	2,492.00
	Inventory	4,572.47	3,362.74	1,209.73
C.	PROFITABILITY AND OTHER RATIOS			
	(i) PERCENTAGE OF :			
	Gross Profit / (Loss) to Sales	7.98	16.85	
	Net Profit /(Loss) to Sales	5.21	10.06	
	Gross Profit /(Loss) to Net Worth	2.32	5.57	
	Net Profit/(Loss) to net Worth	1.51	3.33	
	Gross Profit /(Loss) to Capital Employed	4.89	9.66	
	Net Profit /(Loss) to Capital Employed	3.19	5.77	
	Gross Profit /(Loss) to Equity Capital	2.66	6.46	
	Inventory to Sales	16.28	12.30	
	Sales to Capital Employed	61.21	57.33	
(ii)	RATIO OF :			
	Current Assets to Current Liabilities	1.5:1	1.6:1	
	Quick Assets to Current Liabilities	1.2:1	1.4:1	

COMPANY'S FINANCIAL POSITION

ANNEXURE - II

Summarised Balance Sheet as at 31st March, 2008 & 2007 (Rs. in lakh)

	P A R T I C U L A R S	2007-08	2006-07
1.	WHAT THE COMPANY OWNED		
(A)	FIXED ASSETS		
	Gross Block	67,254.06	61,942.36
	Less : Depreciation	31,011.89	28,192.19
		36,242.17	33,750.17
	Capital Work-in-progres/Stock	54,060.12	38,494.59
	Sub-Total (A)	90,302.29	72,244.76
(B)	Current Assets		
	(I) Stock-in-trade, Stores Direct Materials, Sundry Debtors, Accrued Interest	7,378.99	6,515.06
	(II) Advance recoverable in cash or in kind or for value to be received	3,305.30	3,758.84
	(III) Cash and Bank Balances	16,450.71	20,056.57
	Sub-Total (B)	27,134.99	30,330.48
	TOTAL {1(A+B)}	117,437.28	102,575.24
2.	WHAT THE COMPANY OWNED		
(A)	For Goods, Services, Current Liabilities and other Provisions	17,489.94	16,405.49
(B)	THE COMPANY'S NET WORTH		
	Share Capital	84,164.78	71,264.78
	Reserves and Surplus	12,433.14	11,403.25
	Sub-Total (B)	96,597.92	82,668.03
(C)	DEFERRED TAX LIABILITY (C)	3,349.42	3,501.72
	TOTAL {2(A+B+C)}	117,437.28	1,02,575.24

WHAT THE COMPANY EARNED AND SPENT

**Summarised Profit and Loss Account for the Year ended
31st March, 2008 & 2007**

**ANNEXURE - III
(Contd.)**

(Rs. in lakh)

	P A R T I C U L A R S	2007-08	2006-07
1.	THE COMPANY EARNED		
	a) From Acquisition of Uranium Concentrate by Department of Atomic Energy	27,728.49	26,955.16
	b) From Sale of By-Products (Excluding Excise Duty)	310.85	327.11
	c) From Other Receipts	2,272.89	2,218.53
	SUB-TOTAL	30,312.22	29,500.80
	d) Increase/(Decrease) in closing stock	124.09	279.88
	TOTAL (1)	30,436.32	29,780.68
2.	THE COMPANY PAID AND PROVIDED FOR		
	a) Manufacturing & Administrative Expenses	25,860.20	22,487.11
	b) Other Expenses	144.73	94.74
	c) Depreciation	2,517.89	2,592.06
	d) Expenditure Transfer to Capital Account (Related to Turandih Mill Under Trial Run)	(329.05)	—
	TOTAL (2)	28,193.77	25,173.92

WHAT THE COMPANY EARNED AND SPENT

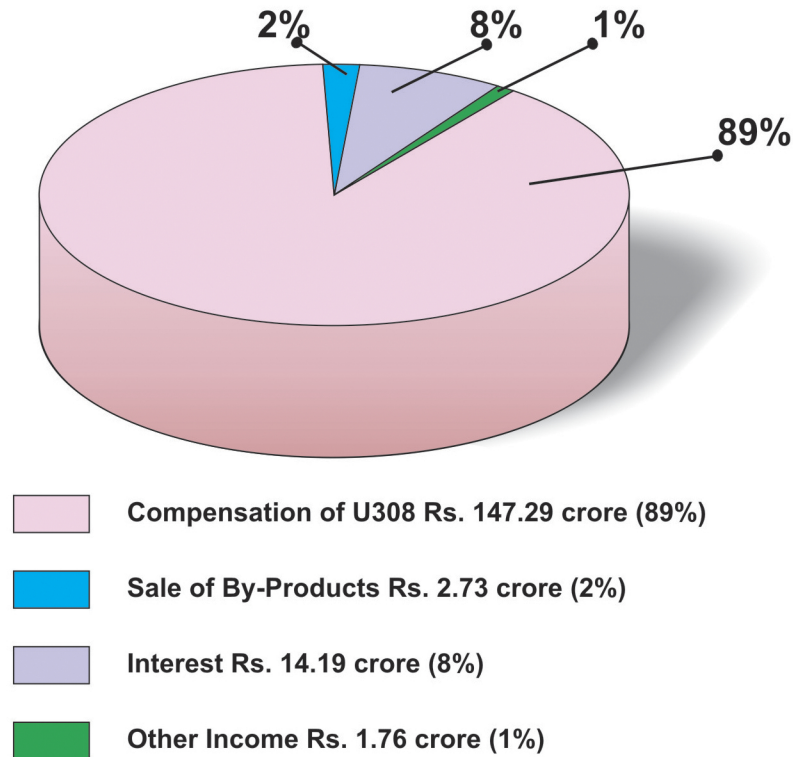
ANNEXURE - III

Summarised Profit and Loss Account for the Two Year
ended 31st March, 2008 & 2007

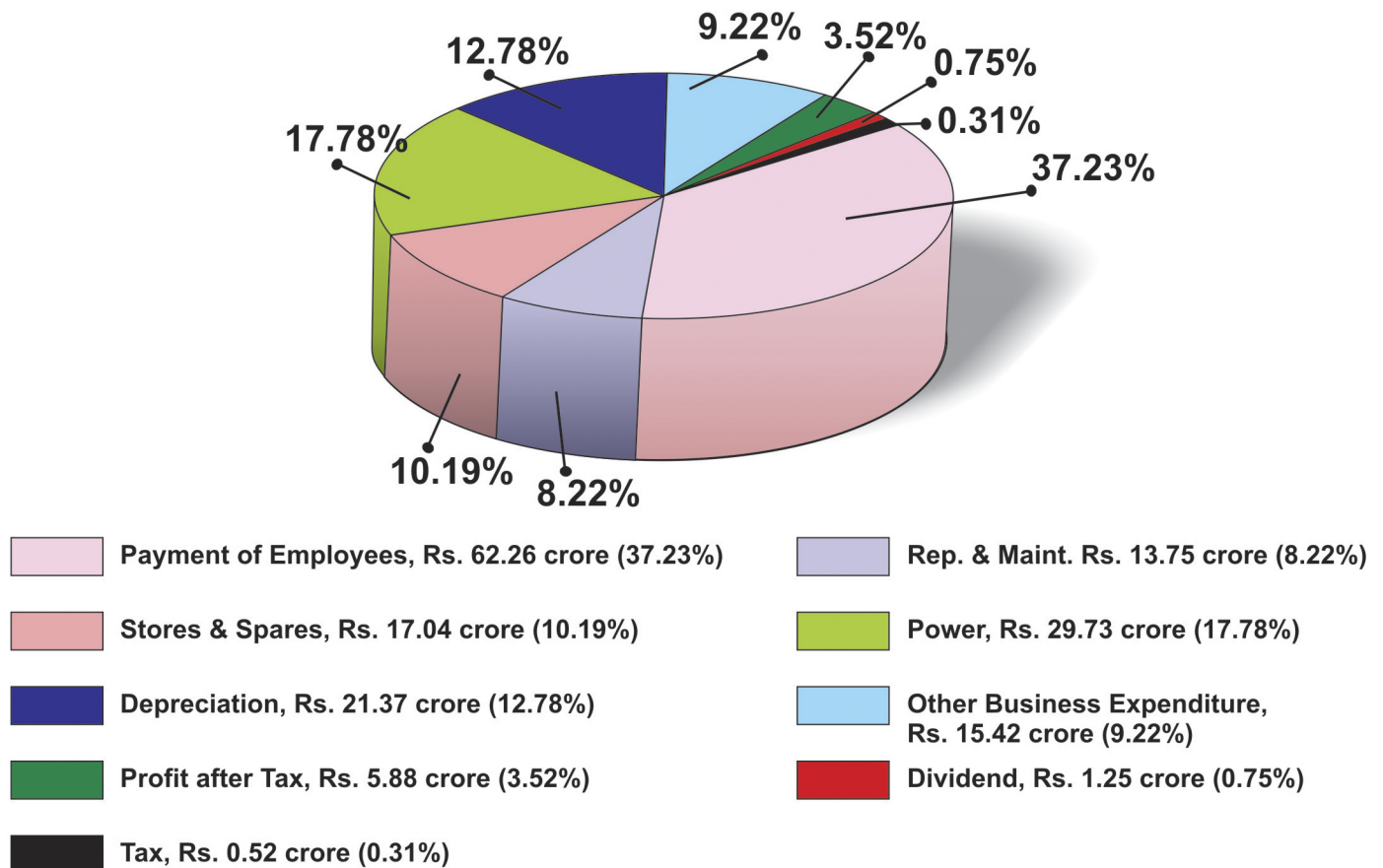
(Rs. in lakh)

	PARTICULARS	2007-08	2006-07
3.	THE COMPANY'S GROSS PROFIT BEFORE ADJUSTMENT (1 - 2)	2,242.55	4,606.76
4.	WHICH WAS ADJUSTED AS FOLLOWS		
	Prior Period Adjustment	(100.73)	(228.77)
	Profit Before Tax	2,141.83	4,377.99
	Less : Provision for Income Tax (Incl. Deferred Tax)	679.05	1,627.45
	Profit After Tax	1,462.78	2,750.53
	Surplus brought forward from previous year	8,499.21	7,267.65
	Surplus before Appropriation Sub-Total (4a)	9,961.99	10,018.18
	APPROPRIATION		
	Proposed General Reserve	370.00	700.00
	Proposed Dividend	370.00	700.00
	Tax on Proposed Dividend	62.88	118.97
	Sub-Total (4b)	802.88	1,518.97
	Surplus carried to Balance Sheet (4a-4b)	9,159.11	8,499.21

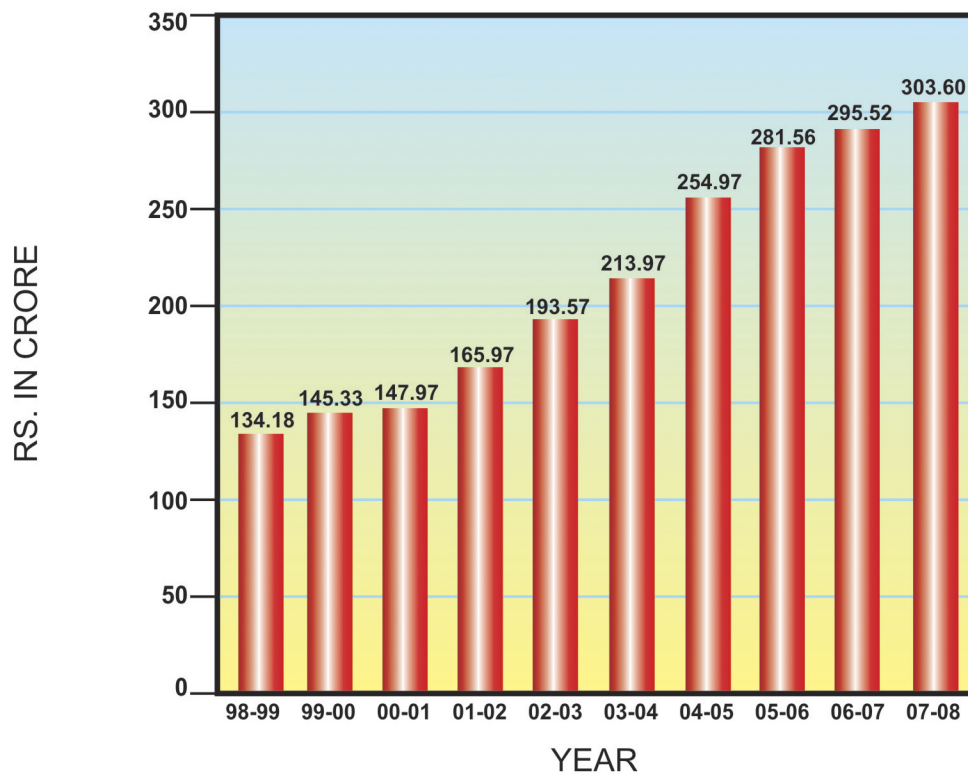
BREAK UP OF INCOME



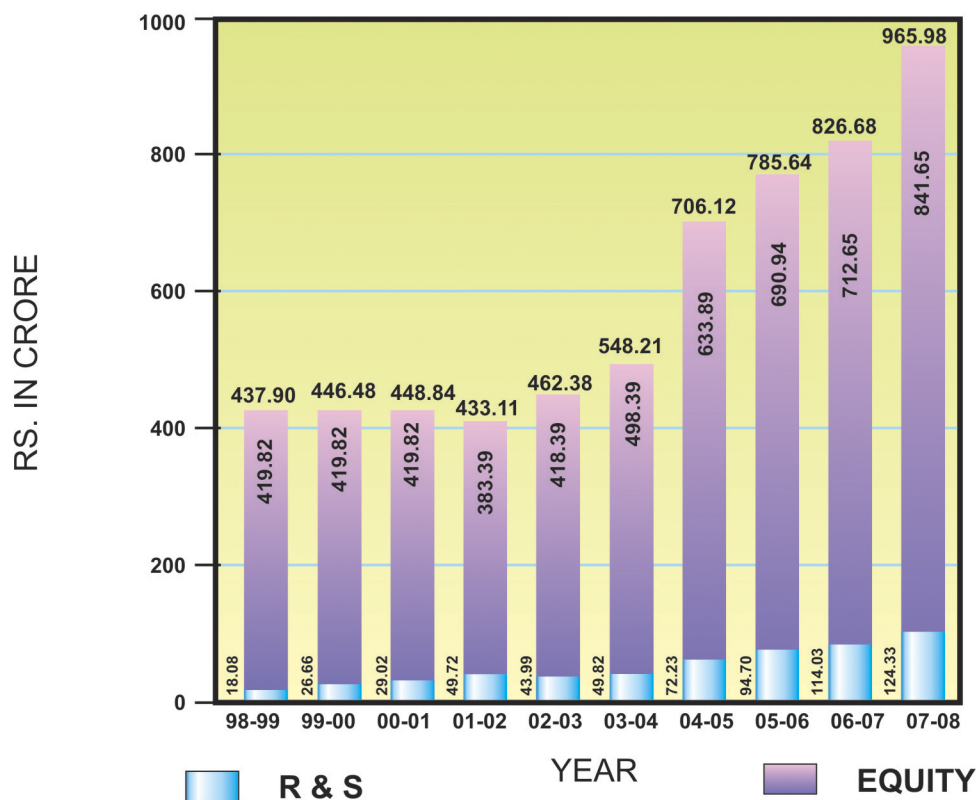
DISTRIBUTION OF INCOME



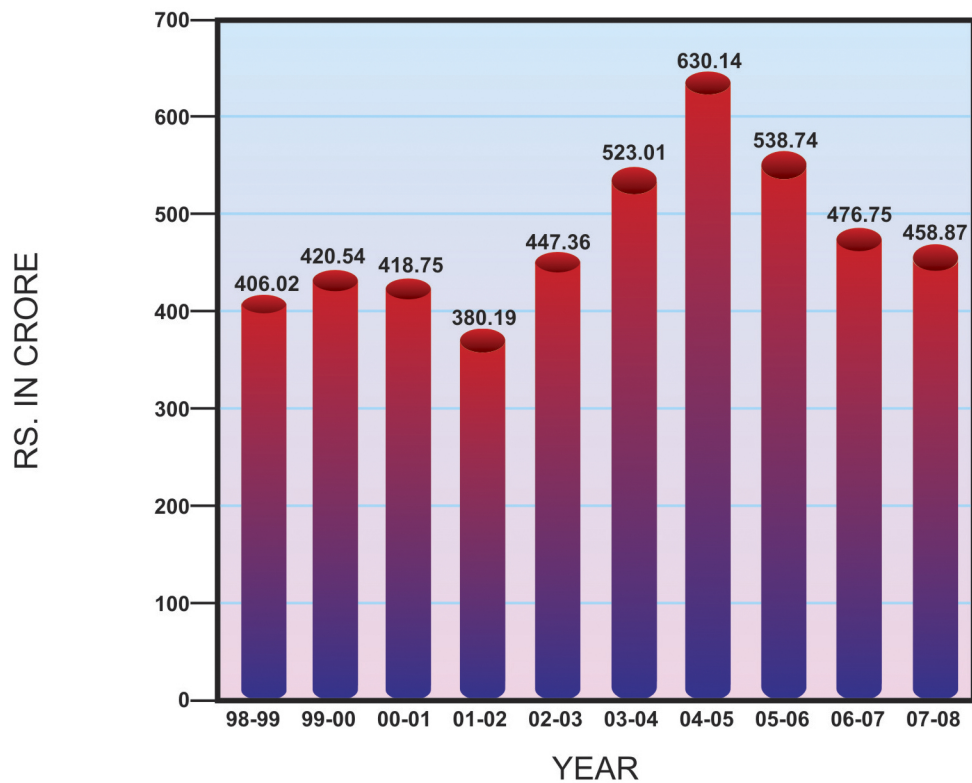
GROWTH OF INCOME



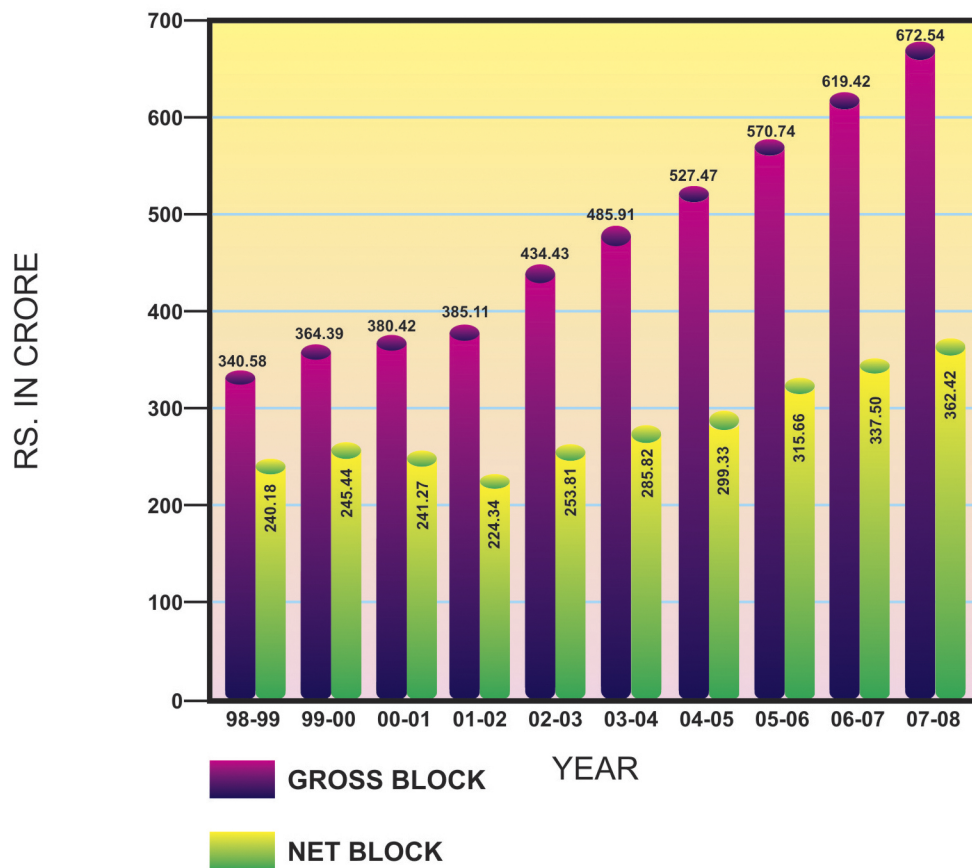
GROWTH OF NET WORTH



GROWTH OF CAPITAL EMPLOYED



GROSS & NET BLOCK



AUDITOR'S REPORT

To
The Members of
Uranium Corporation of India Limited
Jaduguda

1. We have audited the attached Balance Sheet of **URANIUM CORPORATION OF INDIA LIMITED** (the Company) as at 31st March 2008, the Profit & Loss Account and the Cash Flow Statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. a) In terms of the Department of Atomic Energy, Govt. of India's order (as referred in Note No. 1 of Notes on Accounts in Schedule-15), the Company is prohibited from disclosure of information relating to the following: -
 - i) the licensed capacity,
 - ii) the installed capacity,
 - iii) the actual production,
 - iv) the raw materials purchased or acquired,
 - v) the opening and closing stocks of goods produced;and the quantitative information relating to turnover and consumption of raw materials in the company. Accordingly the above information has not been given by the company in Financial Statements.
- b) However, we have been given access to the above informations relating to the operation of the Company vide Department of Atomic Energy's order No. 10/8(12)/2004-PSU/448 dated 09 July, 2004 with the condition that the above information shall not specifically figure in the Audit Report.
4. As required by the Companies (Auditor's Report) order, 2003 as amended by Companies (Auditor's Report) (Amendment) order 2004 (together with "the order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
5. Further to our comments in the Annexure referred to in paragraph 4 above, we report that: -
 - a) Mining leases for 1312.62 acres of land at Jaduguda including Bhatin and 288.20 acres of land at Mohuldih are yet to be obtained. After issue of mining lease grant orders for land at Turamdih mine (557.18 acres), Banduhurang Mine (686.86 acres) and Bagjata Mine (303.14 acres) by the Government of Jharkhand on 26.4.2008 the formal mining lease deeds are still awaited. (Refer Note No. 2(a) in Schedule 15)
 - b) Deed of Conveyance in respect of 1548.09 acres of land acquired from State Government / Private parties is pending (Refer Note No. 2(b) in Schedule 15)
 - c) In absence of any formal agreement for use of 3 acres of land of Hindustan Copper Ltd. (ICC) at Mosaboni no consideration has been paid to them. Therefore no provision has been made in

the accounts for such usage (Refer Note No.3(c) in schedule 15).

- d) During the year on demand from the Government of Jharkhand royalty with interest of Rs. 1.65 crore (approx) and Rs.1.26 crore (approx) on account of Magnetite and Minor Minerals respectively have been deposited under protest with District Mining Office. The company has filed cases against such demand and pending final decision royalty with interest on Magnetite has been shown as advance whereas Rs. 1,12,70,360.00. Royalty on account of Minor Mineral has been capitalized in the books. In case decision in the Courts of Law do not come in favour of the company the amount will have to be charged to the revenue. (Refer Note No. 5 of schedule 15).
- e) No provision in the accounts or disclosure under contingent liability has been made in respect of some cases pending at various courts as the same is not ascertainable at this stage. (Refer Note No. 6 of schedule 15).
- f) Although letters for balance confirmation were issued to various parties under 'Debtors', 'Creditors' and 'Advances', very few responded. Reconciliation is in progress. (Refer Note No.7 of schedule 15).
- g) The company will issue shares to the Govt. of India to the extent of assets taken on account of closed Turamdih Project amounting to Rs. 1110.60 lakh as per later's direction in June, 2003 (Refer Note No. 9(b) of schedule 15).

6. Subject to our comments in paragraphs 4 and 5 above and read with Notes on Accounts (Schedule - 15) 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 purposes 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, Profit & Loss Account and Cash Flow Statement dealt with by this report, are in agreement with the books of accounts.
- d) In our opinion, the Balance Sheet, the Profit & Loss Account and the Cash Flow Statement dealt with by this report, comply with the Accounting Standards referred to in sub-section (3C) of Section - 211 of the Companies Act, 1956.
- e) In view of Notification No. GSR 829(E) dated 21.10.2003 issued by the Central Government, the provisions of Section 274(1)(g) of the Companies Act, 1956 are not applicable to a Government Company.
- f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the notes appearing in schedule 15 and the Accounting Policies, give the information as 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 2008.
 - ii) In the case of the Profit & Loss Account, of the profit of the Company for the year ended on that date; and
 - iii) In the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

For S. Ganguli & Associates
Chartered Accountants

D. P. Saha
Partner

Membership No. 003935

Place : Mumbai
Date: 27th June, 2008

ANNEXURE TO THE AUDITOR'S REPORT

(REFERRED TO IN PARAGRAPH 4 OF OUR REPORT OF EVEN DATE TO THE MEMBERS OF URANIUM CORPORATION OF INDIA LIMITED ON THE ACCOUNTS OF THE COMPANY FOR THE YEAR ENDED 31ST MARCH 2008)

- | | | | |
|-------|---|--------|--|
| (i) | <p>(a) The Company has maintained proper records showing most of the particulars including quantitative details and situation of Fixed Assets.</p> | | <p>loans, secured or unsecured from companies, firms or other parties covered in the register maintained u/s 301 of the Companies Act, 1956.</p> |
| | <p>(b) The Company has a phased programme of physical verification of its Fixed Assets over a period, of three years, which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. As informed to us, no material discrepancies were noticed on such verification.</p> | (iv) | <p>In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods. During the course of our audit, we have not observed any major weakness in the internal control system of the Company.</p> |
| | <p>(c) In our opinion and according to the information and explanations given to us, the Company has not disposed off a substantial part of its fixed assets. As such the going concern states of the Company has not been affected.</p> | (v) | <p>According to the information and explanations given to us, there is no transaction during the year that needs to be entered into the register maintained in pursuance of section 301 of the Act.</p> |
| (ii) | <p>(a) As explained to us, inventory has been physically verified by the management during the year at reasonable intervals.</p> | (vi) | <p>The Company has not accepted any deposits from the public within the meaning of section 58A and 58AA of the Companies Act, 1956 and the rules framed there under and the directives issued by the Reserve Bank of India.</p> |
| | <p>(b) In our opinion and according to the information and explanations given to us, the procedure of physical verification of inventories followed by the management is reasonable and adequate in relation to the size of the Company and nature of its business.</p> | (vii) | <p>The Company has an Internal Audit Department. Internal Audit of the Company is carried out both by the Internal Audit Department as well as by firms of Chartered Accountants. In our opinion, the Internal Audit System of the Company is required to be strengthened enlarging the scope and frequency of coverage in the audit plan.</p> |
| | <p>(c) In our opinion and according to the information and explanations given to us, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification were dealt with in the books of accounts.</p> | (viii) | <p>The Central Government has prescribed the maintenance of cost records by the company u/s 209(1)(d) of the</p> |
| (iii) | <p>According to the information and explanations given to us, the Company has neither granted nor taken any</p> | | |

Companies Act, 1956. We have broadly reviewed the above records and are of the opinion that prima-facie the prescribed accounts and records have been made and maintained.

- (ix) (a) According to the information and explanations given to us, the company has generally been regular in depositing undisputed statutory dues including Provident Fund, Income-tax, Sales-tax, Service Tax, Custom Duty, Excise Duty, Cess and any other statutory dues with the appropriate authorities. We are informed that Employees' State Insurance is not applicable to the Company.

However, an amount of Rs. 0.93 lakh representing Wealth Tax Liability for prior periods has not been paid.

- (b) According to the information and explanations given to us, the dues of sales tax, which have not been deposited on account of any dispute, and the forum where the dispute is pending are as under:-

Nature of the Statute	Nature of the dues	Amount (Rs.)	Forum where dispute is pending	Year
Sales Tax Act	Sales Tax	78,00,797	Assesing Authority	1994-95 to 2002-03

- (x) The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the current financial year and in the immediately preceding financial year.
- (xi) The Company has not defaulted in repayment of dues to a financial institution or bank. The Company has not issued any debentures.
- (xii) Based on our examination of records and the information and explanations given 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.

- (xiii) The Company is not a Chitfund, Nidhi / Mutual Benefit Fund / Society.
- (xiv) In our opinion and according to information and explanations given to us the Company is not dealing or trading in shares, securities, debentures and other investments.
- (xv) According to the information and explanations given to us, the company has not given any guarantee for loans taken by other from banks or financial institutions.
- (xvi) In our opinion and according to the information and explanations given to us the Company has not obtained any term loan.
- (xvii) According to the information and explanations given to us, we report that no funds raised on short-term basis have been used for long-term investment.
- (xviii) According to the information and explanation given to us, the company has not made any preferential allotment of shares to any party / company during the year.
- (xix) The Company has not issued any debentures.
- (xx) The Company has not raised any money by way of public issues.
- (xxi) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

For S. Ganguli & Associates
Chartered Accountants

D. P. Saha
Partner

Membership No. 003935

Place : Mumbai
Date: 27th June, 2008

**COMMENTS OF THE COMPTROLLER AND AUDITOR
GENERAL OF INDIA UNDER SECTION 619(4) OF THE
COMPANIES ACT, 1956 ON THE ACCOUNTS OF URANIUM
CORPORATION OF INDIA LTD.**

FOR THE YEAR ENDED 31 MARCH 2008

The preparation of financial statements of Uranium Corporation of India Ltd. for the year ended 31 March 2008 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under Section 619(2) of the Companies Act, 1956 is responsible for expressing opinion on these financial statement under section 227 of the Companies Act, 1956 based on independent audit in accordance with the auditing and assurance standard prescribed by their professional body the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 27.06.2008.

I on behalf of the Comptroller and Auditor General of India have conducted a supplementary audit under section 619(3)(b) of the Companies Act, 1956 of the financial statements of Uranium Corporation of India Ltd for the year ended 31 March 2008. This supplementary audit has been carried out independently without access to the working papers of the statutory auditor and is limited primarily to inquiries of the statutory auditor and company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditor report under section 619(4) of the Companies Act, 1956.

B. MAZUMDAR

Principal Director of Commercial Audit &
Ex-officio Member, Audit Board-II
Kolkata

Place : KOLKATA
Dated: 21st July 2008

Balance Sheet as at 31st March 2008

	Schedule No.	As at 31st March 2008	As at 31st March 2007
		Rupees	Rupees
I. SOURCES OF FUNDS			
1. Shareholder's Funds			
a) Capital	1	841,64,78,000	712,64,78,000
b) Reserves & Surplus	2	124,33,14,190	114,03,24,703
Total		965,97,92,190	826,68,02,703
2. Deferred Tax Liability		33,49,41,721	35,01,71,700
Total		999,47,33,911	861,69,74,403
II. APPLICATION OF FUNDS			
1. Fixed Assets	3		
a) Gross Block		672,54,05,988	619,42,35,704
b) Less: Depreciation		310,11,88,860	281,92,18,549
c) Net Block		362,42,17,128	337,50,17,155
d) Capital Work-in-Progress	4	540,60,11,707	384,94,58,892
		903,02,28,835	722,44,76,047
2. Current Assets, Loans & Advances			
A. Current Assets	5		
a) Inventories		45,72,46,343	33,62,73,739
b) Sundry Debtors		13,67,69,319	16,85,71,547
c) Cash & Bank Balance		164,50,70,612	200,56,56,963
d) Accrued Interest		14,38,83,233	14,66,61,160
		238,29,69,507	265,71,63,409
B. Loans & Advances	6	33,05,29,709	37,58,84,336
		271,34,99,216	303,30,47,745
Less : Current Liabilities and Provisions	7		
a) Current Liabilities		160,53,80,130	138,31,24,847
b) Provisions		14,36,14,010	25,74,24,542
		174,89,94,140	164,05,49,389
Net Current Assets		96,45,05,076	139,24,98,356
Total		999,47,33,911	861,69,74,403
Significant Accounting Policies	14		
Notes on Accounts	15		
The schedules referred to above form an integral part of the Balance Sheet.			

Signed in terms of our separate report of even date attached.

For S. Ganguli and Associates

Chartered Accountants

D. P. Saha

Partner

P. V. Dubey

Company Secretary

R. P. Gupta

Director(Finance)

D. Acharya

Director(Tech.)

R. Gupta

Chairman & Managing Director

Membership No. 003935

Place : Mumbai

Date : 27th June, 2008

Profit & Loss Account for the year ended 31st March 2008

	Schedule No.	2007 - 2008	2006 - 2007
		Rupees	Rupees
INCOME			
Compensation for Compulsory acquisition of Uranium Concentrate by Department of Atomic Energy		277,28,48,953	269,55,15,530
Sale of By-products		3,59,32,545	3,78,14,891
SUB -TOTAL		280,87,81,498	273,33,30,421
Less: Excise Duty on By- product		48,47,758	51,03,967
		280,39,33,740	272,82,26,454
Interest	8	18,19,40,938	17,79,93,894
Other Income	9	4,53,47,715	4,38,59,499
		303,12,22,393	295,00,79,847
Increase/(Decrease) in Stock	10	1,24,09,248	2,79,88,318
SUB-TOTAL		304,36,31,641	297,80,68,165
EXPENDITURE			
Manufacturing & Administrative Expenses	11	258,60,19,842	224,87,11,453
Other Expenses	12	1,44,72,998	94,74,105
Depreciation		25,17,88,589	25,92,06,306
SUB -TOTAL		285,22,81,429	251,73,91,864
Less :Expenditure Transfer to Capital Account		3,29,04,908	-
TOTAL		281,93,76,521	251,73,91,864
Profit Before Prior Period Adjustments		22,42,55,120	46,06,76,301
Add : Prior Period Adjustments	13	(1,00,72,565)	(2,28,77,421)
Profit Before Tax		21,41,82,555	43,77,98,880
Less: Provision for Taxation For the year		8,82,00,000	16,56,00,000
For earlier year		(80,04,287)	-
Deferred Taxation		(1,52,29,979)	(36,82,561)
Fringe Benefit Tax		29,39,184	8,28,015
Profit After Tax		14,62,77,637	27,50,53,426
Surplus Brought Forward from previous year		84,99,21,450	72,67,64,524
Surplus before appropriation		99,61,99,087	100,18,17,950
APPROPRIATION			
Proposed transfer to General Reserve		3,70,00,000	7,00,00,000
Proposed Dividend		3,70,00,000	7,00,00,000
Tax on Proposed Dividend		62,88,150	1,18,96,500
Surplus Carried to Balance Sheet		91,59,10,937	84,99,21,450
Basic Earning per Share(in Rupees)		20.23	40.26
Diluted Earning per Share(in Rupees)		20.23	40.26

Significant Accounting Policies 14

Notes on Accounts 15

The schedules referred to above form an integral part of the Profit & Loss Account.

Signed in terms of our report of even date attached.

For S. Ganguli and Associates

Chartered Accountants

D. P. Saha

Partner

Membership No. 003935

P. V. Dubey

Company Secretary

R. P. Gupta

Director(Finance)

D. Acharya

Director(Tech.)

R. Gupta

Chairman & Managing Director

Place : Mumbai

Date : 27th June, 2008

SHARE CAPITAL

SCHEDULE - 1

	As at 31st March 2008	As at 31st March 2007
	Rupees	Rupees
AUTHORISED CAPITAL		
100,00,000 (Previous Year : 1,00,00,000) Equity Shares of Rs.1,000/- each	1000,00,00,000	1000,00,00,000
ISSUED, SUBSCRIBED AND PAID-UP CAPITAL		
a) 1,00,000 (P.Y :1,00,000) Equity Shares of Rs.1000/- each (Paid upto the extent of Rs.581/- in other than cash and Rs.419/- each in cash)	10,00,00,000	10,00,00,000
b) 1,853 (P.Y: 1,853)Equity Shares of Rs.1,000/- each are allotted as fully paid-up for consideration other than cash	18,53,000	18,53,000
c) 78,24,625 (P. Y : 68,07,575) Equity Shares of Rs.1,000/- each fully paid in cash	782,46,25,000	680,75,75,000
	792,64,78,000	690,94,28,000
SHARE CAPITAL PENDING ALLOTMENT		
Received from the Department of Atomic Energy Govt. of India towards Equity Capital	49,00,00,000	21,70,50,000
TOTAL	841,64,78,000	712,64,78,000

RESERVES AND SURPLUS

SCHEDULE - 2

	As at 31st March 2008		As at 31st March 2007
	Rupees	Rupees	Rupees
A. RESERVES			
1. Capital Reserve		2,11,158	2,11,158
2. Investment Allowance Utilisation Reserve		1,90,71,000	1,90,71,000
3. General Reserve	27,11,21,095		
Opening Balance	3,70,00,000		
Add: Proposed transfer from Profit & Loss A/C		30,81,21,095	27,11,21,095
		32,74,03,253	29,04,03,253
B. SURPLUS			
Balance as per Profit and Loss Account		91,59,10,937	84,99,21,450
TOTAL		124,33,14,190	114,03,24,703

GROSS BLOCK

Particulars	As on 01.04.2007	Additions/ Adjustments	Sales/ Adjustments	As at 31.03.2008
	Rs.	Rs.	Rs.	Rs.
Leasehold Land	5,79,65,320	99,32,205	—	6,78,97,525
Freehold Land	19,92,08,371	14,41,62,234	—	34,33,70,605
Factory Building	82,13,68,450	3,41,16,581	—	85,54,85,031
Other Building	73,25,39,241	3,24,58,107	—	76,49,97,348
Plant & Machinery	376,39,71,579	15,32,28,013	—	391,71,99,592
Electrical Installation	38,04,05,169	13,84,68,814	—	51,88,73,983
Furniture & Fixture	3,01,31,887	49,97,882	—	3,51,29,769
Equipments	5,78,62,270	1,20,26,190	—	6,98,88,460
Vehicle	5,80,86,113	17,80,258	—	5,98,66,371
Intangible Assets (Right to use of Forest land)	9,26,97,304	—	—	9,26,97,304
TOTAL	619,42,35,704	53,11,70,284	—	672,54,05,988
Previous Year	570,74,33,437	48,74,76,251	(6,73,984)	619,42,35,704

- Depreciation for the year amounting to Rs.27,26,76,967/- (Previous year: Rs.26,83,50,970/-) is allocated to :
a) Profit & Loss Account Rs.25,17,88,589/- (Previous year: Rs.25,92,06,306/-)
b) Indirect expenses on projects Rs.2,08,88,378/- (Previous year Rs.91,44,664/-)
- Fixed Assets costing Rs.5,000/- and below amounting to Rs.19,32,449/- (Previous year: Rs. 23,49,269/-) have been fully depreciated in the year.
- Other Building includes expenditure of Rs.419.78 Lakh(Gross Block)(Previous year: Rs. 419.78 Lakh) incurred on construction of High Level Bridge and approach road on the land which is not owned by the company.
- Intangible Assets represents 443.03 acres (Previous year: 443.03 acres) of forest land amounting to Rs.926.97 lakh (Previous year: 926.97 lakh) received from Govt of Jharkhand for specific use and the ownership is lying with the Govt. of Jharkhand.

ASSETS

SCHEDULE - 3

DEPRECIATION					NET BLOCK	
As on 01.04.2007	For the year	On Sales & Adjustments	For Previous Year	Total Provision upto 31.03.2008	As at 31.03.2008	As at 31.03.2007
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1,77,28,760	41,21,304	—	—	2,18,50,064	4,60,47,461	4,02,36,560
34,09,551	3,42,003	—	—	37,51,554	33,96,19,051	19,57,98,820
22,44,56,885	2,29,90,589	—	4,42,024	24,78,89,498	60,75,95,533	59,69,11,565
15,84,37,936	1,28,38,265	—	2,31,117	17,15,07,318	59,34,90,030	57,41,01,305
214,76,62,353	20,65,93,819	—	86,19,375	236,28,75,547	155,43,24,045	161,63,09,226
16,89,63,478	1,90,96,230	—	828	18,80,60,536	33,08,13,447	21,14,41,691
2,05,12,967	19,80,600	—	—	2,24,93,567	1,26,36,202	96,18,920
3,97,45,917	15,52,318	—	—	4,12,98,235	2,85,90,225	1,81,16,353
3,40,68,878	25,17,726	—	—	3,65,86,604	2,32,79,767	2,40,17,235
42,31,824	6,44,113	—	—	48,75,937	8,78,21,367	8,84,65,480
281,92,18,549	27,26,76,967	—	92,93,344	310,11,88,860	362,42,17,128	337,50,17,155
255,08,67,579	26,83,67,724	(16,754)	—	281,92,18,549	337,50,17,155	315,65,65,858

CAPITAL WORK-IN-PROGRESS

SCHEDULE - 4

	As at 31st March 2008	As at 31st March 2007
	Rupees	Rupees
1. Jaduguda Mines & Mill	28,45,607	2,76,99,378
2. Narwapahar Mine	-	3,96,000
3. Turamdih Mine Project	11,26,30,865	13,77,83,816
4. Bagjata Mine Project	47,63,02,894	28,45,02,163
5. Turamdih Mill Project	280,42,72,121	249,28,25,765
6. Banduhurang Mine Project	105,94,06,654	62,74,81,539
7. Mohuldih Mine Project	1,57,64,089	18,67,529
8. Tumallapalle Project	10,04,75,022	7,26,34,480
9. Pre-Project Expenses		
a. Lambapur Project 4,82,64,926		4,11,49,751
b. K.P.M. Project 4,11,02,735		3,02,76,137
	8,93,67,661	7,14,25,888
9. Advance to Suppliers/Contractors for Capital Expenditure	59,28,22,144	88,69,899
10. Capital Asset in Stock Pending installation / use including in-transit Rs.12,63,78,317/- (Previous Year : Rs. 6,84,53,353/-)	15,21,24,650	12,39,72,435
TOTAL	5,40,60,11,707	384,94,58,892

SCHEDULE -5

CURRENT ASSETS, LOANS AND ADVANCES

A. CURRENT ASSETS

		As at 31st March 2008	As at 31st March 2007
	Rupees	Rupees	Rupees
1. INVENTORIES			
(As taken, valued & Certified by the management)			
a) Direct Materials		2,21,27,177	73,29,708
b) Stores & Spares (Net of Capital Stock)			
i) Stores & Spares	24,16,86,212		19,45,77,452
ii) Stores & Spares for Project	7,34,05,775		
iii) Stores-in-Transit	1,88,72,052		4,51,25,020
	33,39,64,039		23,97,02,472
Less : Provision for obsolete stores	1,46,61,684		1,41,66,684
		31,93,02,355	22,55,36,468
c) Stock-in-Trade			
i) Ore	9,06,97,354		7,64,44,306
ii) Work-in Process	1,31,39,092		1,07,06,242
iii) By-Products	4,53,275		22,44,183
iv) Scrap	1,18,52,503		1,43,38,245
	11,61,42,224		10,37,32,976
Less : Provision (By-product)	3,25,413		3,25,413
		11,58,16,811	10,34,07,563
Total (a+b+c) CARRIED FORWARD		45,72,46,343	33,62,73,739

SCHEDULE -5

(Contd.)

CURRENT ASSETS, LOANS AND ADVANCES

A. CURRENT ASSETS

	As at 31st March 2008		As at 31st March 2007
	Rupees	Rupees	Rupees
BROUGHT FORWARD		45,72,46,343	33,62,73,739
2. SUNDRY DEBTORS (Unsecured)			
1. Over Six Months			
i) Considered good	—		—
ii) Considered doubtful	—		—
	—		—
2. Other Debts (Considered good)	13,67,69,319		16,85,71,547
	13,67,69,319	13,67,69,319	16,85,71,547
3. CASH AND BANK BALANCES			
1. Cash -in -hand (including imprest Cash & stamps) as certified	8,07,235		10,23,718
2. Balance with scheduled Commercial Banks in			
a) Current Account	64,64,642		75,29,650
b) Term Deposit Account	163,77,98,735		199,71,03,595
		164,50,70,612	200,56,56,963
4. ACCRUED INTEREST		14,38,83,233	14,66,61,160
		238,29,69,507	265,71,63,409

NOTES : Terms Deposits with Banks include the following security :

1. Rs.4,54,98,898/- pledged with IDBI Bank, Jamshedpur against L.C. facility.

SCHEDULE -6

CURRENT ASSETS, LOANS AND ADVANCES

B. LOANS AND ADVANCES

	As at 31st March 2008		As at 31st March 2007
	Rupees	Rupees	Rupees
1. Advances recoverable in Cash or in kind for value to be received			
A. Secured, Considered Good			
House Building Advance to employees		5,96,47,588	5,73,01,378
B. Unsecured, Considered Good			
a) Advance to employees	2,67,50,791		2,56,96,036
b) Advance to suppliers			
i) Considered good	3,83,44,517		3,18,24,281
ii) Considered doubtful	3,35,457		3,53,178
	3,86,79,974		3,21,77,459
Less: Provision made for doubtful advances	3,35,457		3,53,178
	3,83,44,517		3,18,24,281
c) Advance to Contractors, Govt. Dept. etc	4,13,02,055		4,95,89,995
d) Advance for Taxation	15,22,40,213		19,00,99,314
e) Other Receivables			
i) Considered good	61,83,829		83,16,339
ii) Considered doubtful	6,26,365		6,26,365
	68,10,194		89,42,704
Less: Provision for doubtful debts	6,26,365		6,26,365
	61,83,829		83,16,339
f) Other receivables from employees	34,59,260		68,16,359
g) Prepaid Expenses	5,37,222		5,32,936
Sub-Total (B)		26,88,17,887	31,28,75,260
CARRIED FORWARD (A+B)		32,84,65,475	37,01,76,638

SCHEDULE -6

(Contd.)

CURRENT ASSETS, LOANS AND ADVANCES

B. LOANS AND ADVANCES

		As at 31st March 2008	As at 31st March 2007
	Rupees	Rupees	Rupees
BROUGHT FORWARD		32,84,65,475	37,01,76,638
2. DEPOSITS (Unsecured, considered good)			
a) Customs and Port Commissioners	1,53,382		42,19,288
b) Govt. Department and Others	19,10,852		14,88,410
		20,64,234	57,07,698
TOTAL		33,05,29,709	37,58,84,336

Notes:				
Included in Advance to Employees	As at 31/03/2008	Maximum amount due at any time during the year 2007-08	As at 31/03/2007	Maximum amount due at any time during the year 2006-07
	Rupees	Rupees	Rupees	Rupees
1. Advance due by the Chairman and Managing Director.	Nil	Nil	Nil	Nil

SCHEDULE -7

CURRENT LIABILITIES AND PROVISIONS

	As at 31st March 2008		As at 31st March 2007
	Rupees	Rupees	Rupees
A. CURRENT LIABILITIES			
1. Sundry Creditors			
a) SSI undertakings	1,13,03,963		41,30,099
b) Others	14,29,76,863		18,48,36,855
		15,42,80,826	18,89,66,954
2. Book Overdraft		9,18,26,577	3,69,19,127
3. Other Liabilities		135,92,72,727	115,72,38,766
		160,53,80,130	138,31,24,847
B. PROVISIONS			
1. For Taxation	9,12,32,184		16,69,46,208
2. Proposed Dividend	3,70,00,000		7,00,00,000
3. Tax on Proposed Dividend	62,88,150		1,18,96,500
4. Other Provisions	90,93,676		85,81,834
		14,36,14,010	25,74,24,542
TOTAL		174,89,94,140	164,05,49,389

SCHEDULE - 8

INTEREST

	2007-08	2006-07
	Rupees	Rupees
1. On Deposits with Banks (Income Tax deducted at source Rs. 24,911/- Previous Year Rs.7,013/-)	17,51,20,200	17,13,40,692
2. Others (Income Tax deducted at source Rs. 9,77,629/- Previous Year : Rs.1,469/-)	68,20,738	66,53,202
TOTAL	18,19,40,938	17,79,93,894

OTHER INCOME

SCHEDULE - 9

	2007-2008	2006-2007
	Rupees	Rupees
1. Sale of scrap materials	1,94,19,752	1,64,76,263
2. Forfeiture of Earnest Money and Security Deposit	1,08,105	1,00,206
3. Hire Charges of Equipments and Vehicles	3,09,198	8,14,084
4. Recovery from suppliers towards packing rectification, freight, penalty etc.	52,12,482	6,80,449
5. Surplus of stores on physical verification	31,469	1,13,297
6. Application Fee	1,59,450	82,475
7. Sale of Tender forms	9,80,675	8,14,232
8. Claim Settlement from Insurance	—	20,000
9. Interest on Income Tax	4,12,913	11,043
10. Liabilities and Provisions no longer required		
a) Stores	5,05,370	58,81,453
b) Others	6,17,200	14,83,357
11. Township Receipts	1,66,92,016	1,67,87,933
12. Sundries	8,99,085	5,94,707
TOTAL	4,53,47,715	4,38,59,499

SCHEDULE - 10

**INCREASE/(DECREASE) IN STOCK OF
ORE, BY-PRODUCT, WIP & SCRAP**

	As at 31st March 2008	As at 31st March 2007
	Rupees	Rupees
OPENING BALANCE		
Ore	7,64,44,306	3,92,27,489
By-products	22,44,183	82,20,973
Work-in-process	1,07,06,242	1,12,79,097
Scrap	1,43,38,245	1,70,17,099
	<u>10,37,32,976</u>	<u>7,57,44,658</u>
CLOSING BALANCE		
Ore	9,06,97,354	7,64,44,306
By-products	4,53,275	22,44,183
Work-in-process	1,31,39,092	1,07,06,242
Scrap	1,18,52,503	1,43,38,245
	<u>11,61,42,224</u>	<u>10,37,32,976</u>
TOTAL INCREASE IN STOCK	<u>1,24,09,248</u>	<u>2,79,88,318</u>

MANUFACTURING & ADMINISTRATIVE EXPENSES

SCHEDULE - 11

	2007-2008	2006-2007
	Rupees	Rupees
1. Salaries and wages	83,57,30,457	75,81,68,555
2. Contribution to Provident Fund	6,92,72,254	6,48,76,753
3. Contribution to Gratuity Fund	5,81,38,569	2,67,08,441
4. Contribution to Welfare Fund	1,31,604	1,33,266
5. Contribution to Superannuation Fund	30,03,029	30,18,050
6. L.T.C. Expenses	62,11,807	81,51,207
7. Staff Welfare Expenses	2,03,92,572	2,06,76,670
8. Power	35,38,77,427	34,89,57,759
9. Water	3,43,59,989	2,73,36,493
10. Direct Material Consumed	21,16,12,322	14,39,54,606
11. Stores and Spares Consumed	29,99,31,248	26,98,37,565
12. Royalty	26,31,395	28,62,910
13. Transportation Expenses	2,78,30,966	2,70,87,337
14. Repairs and Maintenance		
a) Plant and Machinery	32,77,89,594	28,15,03,099
b) Buildings	2,69,82,906	1,47,43,346
c) Vehicles	62,70,991	79,38,374
d) Others	14,47,12,532	9,83,52,328
15. Security Expenses	4,97,36,537	5,49,28,737
16. Insurance Charges	11,37,101	16,52,083
17. Rent, Rates and Taxes	16,49,936	32,11,513
18. Township and Social Amenities Expenses	4,76,52,613	3,26,31,033
19. Travelling Expenses	72,87,103	74,89,957
20. Telephone Expenses	14,93,509	11,55,249
21. Printing and Stationary	28,31,370	32,23,753
22. Postage and Telegrams	6,30,851	5,25,576
23. Legal Expenses	1,95,950	2,59,266
24. Bank Charges	3,58,278	3,77,754
25. Advertisement Expenses	1,08,97,081	69,56,947
26. Other Miscellaneous Expenses	3,32,69,851	3,19,92,826
TOTAL	258,60,19,842	224,87,11,453

- Note : a) Salaries & Wages including other benefits amounting to Rs.1,23,61,642/- (Previous Year Rs.1,20,39,577/-) pertaining to cost of water is not included in Salaries & Wages and Other Benefits.
- b) Salaries & Wages includes Rs.94,81,468/- (P.Y Rs. 1,57,01,591/-) against VRS payments to employees.
- c) Repairs & Maintenance includes consumption of stores Rs.11,41,23,935/- (Previous Year Rs.11,44,58,805/-) and Spares Rs.21,36,65,659/- (Previous Year Rs.16,70,44,294/-) aggregating to Rs.32,77,89,594/- (Previous Year Rs.28,15,03,099/-) which are not included in "Stores and Spares Consumed".

OTHER EXPENSES

SCHEDULE - 12

	2007-2008		2006-2007	
	Rupees	Rupees	Rupees	Rupees
Sales Tax		49,24,248		48,84,531
<u>Payment to Auditors :-</u>				
a) Statutory Audit Fees	1,79,776		1,79,584	
b) Tax Audit Fees	34,399		30,900	
c) Out of pocket Expenses	35,000	2,49,175	35,100	2,45,584
Internal Audit Fees		5,67,144		4,31,760
Vat Audit Fees		40,000		-
Freight and Handling Charges		23,59,965		30,92,239
Obsolete stores written off		1,82,065		1,19,748
Obsolete stores provision		10,01,050		-
Donation		1,27,000		1,00,000
Bad Debts/Claims/Advances written off		-		17,721
Expenditure against Arbitration Award		1,76,797		1,76,797
Expenses on Scrap Sales		4,17,309		3,33,807
Interest paid		44,28,245		71,918
TOTAL		1,44,72,998		94,74,105

PRIOR PERIOD ADJUSTMENT

SCHEDULE - 13

	2007- 08	2006 - 07
	Rupees	Rupees
EXPENDITURE		
Salary	—	20,43,000
Stores and Spares consumed	—	1,63,05,800
Depreciation	92,93,344	—
Power	—	21,17,166
Other Expenses	7,79,221	24,11,455
TOTAL	(1,00,72,565)	(2,28,77,421)

EXPENDITURE ON TOWNSHIP AND SOCIAL

As Required by Government of India, Ministry

PARTICULARS	Township	School & Educational Facilities	Medical Facilities
	Rs.	Rs.	Rs.
Salaries & Wages	2,88,71,497	4,06,77,859	1,75,06,848
Employees Contribution to P.F.	27,32,575	7,02,504	14,66,081
Contribution to Gratuity Fund	22,69,205	2,10,198	12,03,952
Utility	6,09,72,728	1,15,681	7,38,712
Consumption of Stores & Spares	9,80,034	1,28,848	94,31,104
Repairs & Maintenance	2,45,10,575	5,05,382	5,17,250
OTHER EXPENSES			
a) Medical Reimbursed	—	—	3,30,79,915
b) Others	59,54,177	31,48,102	—
TOTAL	12,62,90,791	4,54,88,574	6,39,43,862
ADD: Depreciation	1,52,15,207	—	—
TOTAL	14,15,05,998	4,54,88,574	6,39,43,862
LESS: Receipts	1,39,44,403	2,15,694	18,71,282
GRAND TOTAL	12,75,61,595	4,52,72,880	6,20,72,580
PREVIOUS YEAR	10,66,71,130	4,04,64,161	4,69,10,219

AMENITIES (INCLUDING GUEST HOUSE)

of Finance, Memorandum No. BPE/1(17)Adv(7)/69 Dated 5.3.1969

Subsidised Transport	Social & Cultural Activities	Guest House	For the year 2007-2008	For the year 2006-2007
Rs.	Rs.	Rs.	Rs.	Rs.
24,94,064	2,02,677	14,29,616	9,11,82,561	8,28,10,839
2,30,841	19,986	1,19,279	52,71,266	48,26,539
1,77,560	16,234	96,054	39,73,203	21,31,247
—	—	50,200	6,18,77,321	5,82,24,973
41,47,487	—	1,01,941	1,47,89,414	1,26,63,646
51,31,401	—	11,140	3,06,75,748	2,15,97,311
—	—	—	3,30,79,915	2,43,05,624
—	—	24,17,191	1,15,19,470	70,03,633
1,21,81,353	2,38,897	42,25,421	25,23,68,898	21,35,63,812
—	—	—	1,52,15,207	1,45,06,523
1,21,81,353	2,38,897	42,25,421	26,75,84,105	22,80,70,335
19,400	—	6,44,417	1,66,95,196	1,67,87,933
1,21,61,953	2,38,897	35,81,004	25,08,88,909	21,12,82,402
1,35,94,694	2,18,512	34,23,686	21,12,82,402	18,23,52,641

SIGNIFICANT ACCOUNTING POLICIES

1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS:

The financial statements are prepared under the historical cost convention in accordance with the generally accepted accounting principles in India, the provisions of the Companies Act, 1956, the Atomic Energy Act 1962 and other applicable statutory enactments.

2. USE OF ESTIMATES:

The presentation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and the estimates are recognized in the period in which the results are known / materialized.

3. FIXED ASSETS:

- a. All Fixed Assets are stated at historical cost less accumulated depreciation. Cost includes related pre-operational expenses in respect of projects.
- b. Expenditure on setting up of new mine is capitalized after netting off income from ore produced during such construction of new mine.
- c. The Insurance Spares which can only be used in connection with an item of Fixed Asset and whose use is expected to be irregular, are capitalized with respective assets.
- d. System software is capitalized alongwith the respective assets. Application software is charged off to revenue in the year in which it is implemented for use.

4. CAPITAL WORK IN PROGRESS:

Capital work-in-progress comprises expenditure for acquisition and construction of assets and the cost of fixed assets that are not yet ready for their intended use.

5. DEPRECIATION:

- a. Depreciation is charged on straight line method on the basis of rates prescribed in schedule - XIV of the Companies Act, 1956. For assets acquired prior to 1.4.1997 depreciation is charged on straight line method on opening net book value of assets as on 1.4.1997 at rates derived on the basis of the remaining period of life of assets as indicated in Schedule - XIV of the Companies Act, 1956.
- b. Depreciation is charged on pro-rata monthly basis on additions/disposals of the assets during the year taking the first day of the next month for acquisition and the last day of the month for disposal.
- c. The addition or extension, which become the integral part of the existing assets, is depreciated over the remaining useful life of that assets.
- d. Depreciation on certain fixed assets are provided at the rates higher than the rates prescribed in the schedule-XIV of the Companies Act, 1956 if the useful life of that assets is shorter than that envisaged under the statute on the basis of technical assessment. Further, where there is a revision of estimated useful life of an existing asset being shorter than the existing useful life, the unamortized depreciation is charged over the remaining useful life of the asset.
The useful life of the 3rd stage tailing pond (Slime Dam) is 10 years on the basis of technical assessment.
- e. Private land, Government land and Forest land used for construction of Tailing Ponds are depreciated over the useful life of the Tailing Ponds.
- f. Government Land shown under Leasehold Land used for other purposes is depreciated over the lease period or the useful lives of the Assets, whichever is earlier, for which the lands are used.
- g. Intangible Assets: Forest Land acquired on right-to-use for various mines and processing plants are amortized on straight-line basis over their expected useful lives.
- h. The insurance spares are depreciated over the balance useful life of the respective assets at the rate which is applied to the existing assets and the amount of depreciation from the date of acquisition of the existing assets till the date of acquisition of insurance spares is charged off in the year of acquisition.

- i. Assets costing Rs.5,000/- and below individually are depreciated fully in the year of addition.

6. VALUATION OF INVENTORIES:

a. Measurement of Inventories

Items of inventories are measured at lower of cost and net realizable value.

b. Cost formula:

- | | |
|---|-------------------------------|
| i. Ore and work-in- process | On absorption costing method. |
| ii. Direct Material, Stores and Spares | At weighted average cost |
| iii. Goods-in-transit and
under inspection | At acquired cost |
| iv. By-Products | At conversion cost |
| v. Scrap | At estimated value |

c. Loose Tools

Loose tools are written off in the year of issue.

d. Disposable Asset

Items of fixed assets that have been retired from active use and are held for disposal are stated at the lower of their net book value and net realizable value.

e. Non-moving/Obsolete stores

Provision for non-moving / obsolete materials are created for stores/spares not moved for five years except for capital stores and insurance spares. Materials declared obsolete are segregated for necessary disposal and book value thereof are written off. On disposal the value realized is credited to income.

7. REVENUE RECOGNITION:

Compensation for Compulsory acquisition of Uranium Concentrate is recognized as revenue on handing over of uranium concentrate to the Government of India.

8. GRANTS - IN - AID

Grant-in-aid received from the Central Government towards Capital Expenditure where ownership of the assets acquired vests with the Government, the grants are adjusted in the carrying cost of such assets.

9. EXPENDITURE ON DEVELOPMENT OF ORE BODY:

Expenses on development of ore body in the existing operating mine are charged to Profit & Loss Account of the year in which it is incurred.

10. RETIREMENT BENEFITS:

- a. Company's contribution to Provident Fund are charged to Profit & Loss Account on accrual basis.
- b. Contribution for Superannuation are made as per the Company's policies and funded with the Life Insurance Corporation of India and are charged to Profit & Loss Account in the year in which the contribution (premium) is due.
- c. Gratuity and Leave encashment benefits are charged to Profit & Loss Account of the year on the basis of actuarial valuation.
- d. VRS expenditure is charged off to revenue in the year in which it is incurred i.e. granted to the employees.

11. FOREIGN EXCHANGE TRANSACTION:

Foreign exchange transactions are recorded at the rate prevailing on the date of transaction. Foreign currency liabilities and current assets are translated/converted with reference to rate of exchange prevailing at the year end. The difference is transferred to fixed assets/capital WIP - in case of capital assets and to Profit & Loss Account- in case of current assets/liabilities.

12. PROVISION FOR CURRENT AND DEFERRED TAX:

Provision for current tax is made after considering the benefits admissible under the provision of the Income - tax Act 1961.

Deferred tax resulting from "timing difference" between book and taxable profit is accounted for using the tax

rates and laws that have been enacted or substantively enacted by the balance sheet date. The deferred tax asset is recognized and carried forward only to the extent that there is a reasonable certainty that the assets will be realized in future.

13. CASH FLOW STATEMENT:

Cash flow is reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flow from regular revenue generating, financing, and investing activities of the company are segregated.

14. RESEARCH AND DEVELOPMENT EXPENSES:

Expenditure relating to capital items is debited to fixed assets and depreciated at applicable rates. Revenue expenditure is charged to Profit & Loss Account of the year in which it is incurred.

15. PRIOR PERIOD ADJUSTMENTS:

Items of income/expenses above Rs. 50,000/- in each case relating to previous years, are accounted as Prior Period Adjustments.

16. PREPAID EXPENSES:

Prepaid expenses are accounted for only where the amounts relating to unexpired period, exceeds Rs. 50,000/- in each case.

17. EXCEPTION TO ACCRUAL SYSTEM OF ACCOUNTINGS:

The company follows accrual system of accounting except for the following items which are accounted on cash basis:

- a. Expenses, value of which cannot be estimated with a reasonable accuracy for the purpose of making provision.
- b. Medical Stores, Sports Materials, Printing & Stationery and Provisions for Canteen and Guest House are charged to expenses at the time of purchase.

18. IMPAIRMENT OF ASSETS

- a. The carrying amount of assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any indication exists, the assets recoverable amount is estimated. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value based on the return on capital employed, fixed by the Government of India for fixation of compensation rate of Uranium Concentrate.
- b. After impairment, depreciation is provided on the assets revised carrying amount over its remaining useful life.
- c. A previously recognized impairment loss is increased or decreased depending on changes in circumstances. However, an impairment loss is not decreased to an amount higher than the carrying amount that would have been determined (net of amortization or depreciation) had no impairment loss been recognized in the prior year.

19. CONTINGENT LIABILITIES:

These are disclosed by way of notes on the Balance Sheet. Provision is made in the accounts in respect of those contingencies which are likely to materialize into liabilities after the year end till the finalisation of accounts and have material effect on the position stated in the Balance Sheet.

20. PROVISIONS:

A provision is recognized when there is a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on management estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates.

NOTES ON ACCOUNTS

1.
 - a) The company is prohibited by the Department of Atomic Energy's Order No.7/6/69-Min dated August 7,1973 and No.7/6/69 Min (PSU) dated July 3, 1974 issued in terms of Section 18 of the Atomic Energy Act, 1962 (33 of 1962) from publishing or making available the quantitative information relating to Turnover, Raw Materials consumed, and information relating to opening and closing stock of goods produced, Raw Materials purchased or acquired, licensed capacity, installed capacity and the actual production pursuant to Paragraph 3(i), 3(ii)(I), 3(ii) (2) and 4C of Part II of Schedule VI to the Companies Act, 1956, and accordingly the above information are not given in the financial statements. This information along with the raw material, stock, any other allied charges and compulsory acquisition of uranium concentrate and by-products were not made available to the Statutory Auditors appointed under section 619(2) of the Companies Act, 1956 upto the year 2002-03.
 - b) However from the year 2003-04 the Statutory Auditors appointed under section 619(2) of the Companies Act, 1956 at their high level have been given access to all information relating to the operation of the company vide Department of Atomic Energy's Order No.10/8(12)/2004-PSU/448 dated 09 July, 2004 for the purpose of conducting an objective and meaningful audit of the accounts of the company with the confidentiality agreement that the information shall not be furnished to any other agency and shall not specifically figure in the audit report.
 - a) The Company has obtained Mining Lease for 1128.32 acres (P.Y. - 1128.32 acres) of land at Narwapahar and 2009.13 acres (P.Y. - NIL) of land at Tummalapalle. On 26.04.2008, the Government of Jharkhand issued the Mining Lease grant orders over an area of 557.18 acres (P.Y. - NIL) of land for Turamdih Mines, 686.86 acres (P.Y. - NIL) of land for Banduhurang Mine and 303.14 acres (P.Y. - NIL) of land for Bagjata Mines and the preparation of Mining Lease Deed of these mines are under progress. The Company is in correspondence with the appropriate authorities for obtaining Mining lease for 1312.62 acres (P.Y: 1312.62 acres) of land at Jaduguda including Bhatin and 288.20 acres (P.Y. - 288.20 acres) of land at Mohuldih.
 - b) The Company is in permissive possession of 1548.09 acres of land (P.Y 1548.09 acres) acquired from State Government/Private Parties, formal deed of conveyance registration pertaining to which is pending, the cost whereof Rs. 1517.59 lakh (P.Y. Rs.1517.59 lakh) is included in the fixed Assets of the Company under the heads "Leasehold Land" and "Freehold Land".
 - c) The Company has been using since 1986, 3 (three) acres of land of Hindustan Copper Limited (I.C.C.) at Mosabani, leased out by erstwhile Government of Bihar. In the absence of any formal agreement no consideration has been paid for/provided against such usage.
3. During the year, a further sum of Rs. 10.00 crore (P.Y. - Rs 10.00 crore) (Total Rs. 20.00 crore till date) was received from Govt. of India as Grant-in-aid towards infrastructure development to facilitate implementation of the Kylleng Pyndengsohiong Mining & Milling Project, Mawthabah, Meghalaya. Out of total receipted amount of Rs. 20.00 Crore, Rs. 9,26,39,049/- was spent till 31.03.2008.
4. Contingent Liabilities and commitment

(Rs.in lakh)

	As at 31/03/2008	As at 31/03/2007
i) Claims against the company not acknowledged as debts ● Under Litigation	3914.08	2971.56
ii) Unexpired Letter of Credit	41.04	53.52
iii) Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for.	86761.00	8457.51

5. During the year, a sum of Rs 1,65,63,062.11 on account of Royalty on Magnetite and Rs 1,26.31,784.00 on account of Minor Minerals and interest there on, was deposited under protest with District Mining Office, Government of Jharkhand, against their disputed demand which are subjudice in different court of law. Pending final decision of the court of law, the deposit against Royalty on Magnetite and interest was shown as advance and Royalty on Minor Minerals was capitalized with the asset for which it was used.
6. There are some cases pending at various courts against which no provision in the accounts has been made/not disclosed in contingent liability, as the same is not quantifiable at this stage.

7. The balances of Debtors, Creditors and Advances are subject to confirmation by the concerned parties and reconciliation on confirmation is under process.
8. An amount of Rs. 11,22,570/- (P.Y. Rs.73,64,810) on account of excess provision made during earlier years now written back and recognised as Income. The details are as under:

	2007-08 Rupees	2006-07 Rupees
Obsolete Stores	5,05,370	58,81,454
Stale cheque	95,086	7,34,801
O & M Expenditure	5,04,393	7,47,127
Others	17,721	1,428

9. a) In the year 1996 the company had transferred the assets of closed Turamdih Project to Central Reserve Police Force (CRPF) at a consideration of Rs.2322 lakh. On reopening of the Turamdih mine, the assets have been taken back. As against total claim of Rs.3467 lakh made by CRPF, Rs.2500 lakh has already been paid and balance Rs.967 lakh has been provided in the accounts.
- b) The company is using Land and other assets of closed Turamdih Project amounting to Rs. 1110.60 lakh (P.Y. 1110.60 lakh) belonging to the Government of India. Provision of Rs.1110.60 lakh (P.Y. 1110.60 lakh) has been made in the accounts based on the value communicated by the Govt of India. The company will issue shares to the Govt. of India to the extent assets are taken as directed by the Govt. of India vide their letter No.20/12(I)/95-PSU/180 dated 18th June 2003.
10. The company has issued shares worth Rs.101.705 crore received during the previous and current financial year. The Govt. of India has further released Rs. 49.00 crore towards equity in the year 2007-08 for ongoing projects, which is shown under "Share Capital Pending Allotment".
11. a) Company has assessed recoverable value of cash generating units (CGU) based on value in use method. The value in use of each CGU worked out to much higher than corresponding net book value of assets, thereby no provision is required against impairment loss (Refer: Point No. 18 of Significant Accounting Policies)
- b) CGU includes Jaduguda mine, Narwapahar mine, Bhatin mine and Turamdih Mine.
12. a) The value of stores as on 31.3.2008 amounting to Rs.177.10 lakh (P.Y. Rs.179.17 lakh) with respect to closed Turamdih Project, which is in the possession of the company, has not been accounted for as the same belongs to the Government of India. As per directives of the Govt. of India, the proceeds from sale of these stores will be deposited to Government Account as and when realized.
- b) Out of the opening stock of Rs. 179.17 lakh (P.Y. Rs. 181.48 lakh), company has consumed stores amounting to Rs. 2.07 lakh (P.Y. Rs. 2.31 lakh) and liability has been provided to that extent on Govt. of India Account.

13. Incidental Expenditure during construction:-

	2007-08 (Rs.in Lakh)	2006-07 (Rs.in Lakh)
a) Turamdih Mill Project	1494.70	281.68
b) Banduhurang Mine Project	727.24	657.16
c) Bagjata Mine Project	624.60	502.39
d) Mohuldih Mine Project	56.49	1.32

14. Deferred Tax Liability comprised of :

	As at 31/03/2008	As at 31/03/2007
Deferred Tax Liability	(Rs. in lakh)	(Rs. in lakh)
Depreciation Differential	3874.16	3961.99
Less : Deferred Tax Assets		

a)	Provision for obsolete stores	49.84	48.15
b)	Provision for leave salary	403.12	340.93
c)	Compensation under Voluntary Retirement Scheme	69.78	69.73
d)	Prepaid Expenses charged to P & L Account	2.01	1.46
	Total (a to d)	524.74	460.27
	Net Deferred Tax Liability	3349.42	3501.72
	Opening Liability	3501.72	3538.54
	Closing Liability	3349.42	3501.72

15. Additional information pursuant to Paragraph 3, 4 & 4 (D) of Part II, Schedule VI of the Companies Act, 1956 if furnished hereunder :

A) DIRECTORS REMUNERATION	2007-08	2006-07
(Including Chairman & Managing Director)	Rupees	Rupees
i) Salary	18,94,465	16,28,659
ii) Employer's Contribution to PF., Gratuity & Employees' Welfare Fund	3,44,195	3,17,979
iii) Leave Encashment & Others	1,82,860	78,550
Total (A)	24,21,520	20,25,118
B) VALUE OF IMPORTS CALCULATED ON CIF BASIS		
i) Components and Spares	2,54,15,090	1,12,93,983
ii) Capital Goods	3,51,13,375	8,13,08,473
Total (B)	6,05,28,465	9,26,02,457
C) EXPENDITURE IN FOREIGN CURRENCY (ACCRUAL BASIS)		
i) Books and Periodicals	76,930	—
ii) Foreign Travel	3,46,252	6,96,459
Total (C)	4,23,182	6,96,459

- D) Total value of Imported / Indigenous Stores, Spare Parts, Raw Materials and Components consumed during the year :

	2007-08	%	2006-07	%
	Rupees		Rupees	
i) Imported	2,19,20,766	02.57	3,22,98,684	04.61
ii) Indigenous	82,94,00,122	97.43	66,81,93,034	95.39
Total	85,13,20,888	100.00	70,04,91,718	100.00

16. **Earning Per Share**
- | | | |
|---------------------------------------|---------------------|--------------|
| | 2007-08 | 2006-07 |
| Profit After Tax (in Rs.) | 14,62,77,637 | 27,50,53,426 |
| Weighted average no. of Equity Shares | 72,32,216 | 68,31,803 |
| Add : Potential no. of Equity Shares | — | — |
| Diluted no. of Equity Share | 72,32,216 | 68,31,803 |

Earning Per Share	2007-08	2006-07
Nominal Value of Equity Share (in Rs.)	1000	1000
Basic Earning Per Share (in Rs.)	20.23	40.26
Diluted Earning Per Share (in Rs.)	20.23	40.26

17. Following are the Enterprises under Micro, Small & Medium Development Act, 2006 against whom the company owes any sum together with interest outstanding for more than 30 days as on 31.3.2008 :

Sl. No.	S. S. I. Undertaking	Balance Outstanding as on 31.3.2008	Balance Outstanding as on 31.3.2007
		Rupees	Rupees
01.	Bharma Saw Mills, Jamshedpur	3,331.12	
02.	Bihar Electric & Refri. Co., JSR	10,150.47	-
03.	Bengal Waterproof Ltd.	-	6,814.64
04.	India Oil Seals & Synethic Products, Kol.	-	3,542.44
05.	Premier Rubber Mills, Gurgaon, HR	5,929.50	85,081.50
06.	Patel Engg. Co., Kolkata	31,923.72	1,09,013.48
07.	Friend Engg. Works, JSR	460.33	466.49
08.	Hindustan Rubber Product, JSR	25,439.62	1,95,044.39
09.	CIO Tyres Pvt. Ltd.	-	2,533.56
10.	Automat Engineers, JSR	21,284.63	1,24,263.47
11.	Saini Industries, JSR	5,830.38	-
12.	Hydrocrimp A.C. Pvt. Ltd., JSR	63,702.30	3,49,956.29
13.	ISDEC India Pvt. Ltd	-	26,538.98
14.	Jeetmul Jai Chandlal	-	230.48
15.	Modoplast Company, Kolkata	3,331.90	26,784.72
16.	Mcnally Bharat Engg. Co.	-	31,243.52
17.	Rajasthan Heavy Engg. Works, Udaipur	52,382.71	2,67,974.87
18.	Precision Engg. Concern, Kolkata	4,586.66	6,003.23
19.	Baranagore Metal Castings, Kolkata	8,628.16	9,940.71
20.	S.M. Industries, JSR	1,12,651.33	41,414.66
21.	Kumar Udyog, JSR	60,153.29	67,806.95
22.	Eastern Indl. Equipment, JSR	58,670.13	71,943.87
23.	Mitra Mfg. Co., Howrah	18,226.34	9,203.40
24.	Maxwell Fabrico, Kolkata	2,04,287.97	94,566.71
25.	Srimati Enterprises, Jsr	1,14,904.60	2,11,535.95
26.	Steelage Industries Ltd.	-	4,884.80
27.	Tega India Ltd.	-	12,088.20
28.	Udyogi Plastics Pvt. Ltd.	-	6,650.56
29.	Bharat Enterprises	3,921.73	37,828.77
30.	Deepak Engg. Works	16,84,613.17	6,67,167.52
31.	Inder Enterprises	43,832.58	-
32.	Blue Star Malleable	310.34	-
33.	Unik Engineers	-	35,365.42
34.	Thejo Engg	-	11,72,161.40
35.	Elastomer Lining Works	5,25,264.11	-
36.	Leo Plast & Synthetic	-	6,829.18
37.	Standard Fibre Product	-	13,221.66
38.	Universal Enggrs.	-	1,30,180.57
39.	Rum Ron Mfg. Co. Pvt. Ltd.	-	7,386.55
40.	Sundaram Industries Ltd.	-	4,54,842.19
41.	Krishna Feero Products	-	10,583.16
42.	A. B. Elasto Products Pvt. Ltd., Kolkata	15,702.26	13,589.18
43.	Sri Laxmi Industries, Jhargram	3,304.00	3,167.30
	Total	30,82,823.34	43,17,850.75

18. Related party disclosure :

Particulars	Key Management Personnel	Total Remuneration (Rupees)	
		2007-08	2006-07
Receiving of Services	1. Sri R. Gupta (C&MD)	8,98,621	7,89,835
	2. Sri K. R. Sivaraman D(F) upto 30.9.2007	4,79,670	6,56,981
	3. Sri D. Acharya D (T)	7,16,006	5,78,372
	4. Sri R. P. Gupta D (F) from 26.10.2007	3,27,223	—

19. All figures have been rounded off to the nearest rupee. Previous Year's figures have been re-arranged/re-grouped/re-classified wherever necessary to make them comparable with those of the current year.

Signed in terms of our report of even date attached.

Signature to Schedule '1' to '15'

For S. Ganguli and Associates

Chartered Accountants

For and on behalf of the Board

D. P. Saha

Partner

P. V. Dubey

Company Secretary

R. P. Gupta

Director (Finance)

D. Acharya

Director (Tech.)

R. Gupta

Chairman & Managing Director

Membership No. 003935

Place : Mumbai

Date : 27th June, 2008

CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2008

		(Rs. in lakh)	
A.	CASH FLOW FROM OPERATING ACTIVITIES	2007-08	2006-07
	Net Profit before Taxes	2,141.83	4,377.99
	Adjustments for:		
	Depreciation	2,819.70	2,683.68
	Interest on Loans & Advances	(68.21)	(66.53)
	Interest on deposits with banks	(1,751.20)	(1,713.41)
	Operating Profits before Working Capital Charges	3,142.12	5,281.73
	Adjustments for:		
	a) (Increase) / Decrease in Debtors	318.02	3,361.36
	b) (Increase) / Decrease in Inventories	(1,209.73)	314.04
	c) (Increase) / Decrease in Loans & Advances	74.95	(640.34)
	d) (Increase) / Decrease in Accrued interest	27.78	1,197.97
	e) (Increase) / Decrease in Current Liabilities	2,227.67	(375.95)
	Cash generated from operation	4,580.81	9,138.81
	Direct Taxes	(1,328.87)	(2,156.58)
	Net Cash flow from Operating Activities	3,251.94	6,982.23
B.	Cash Flow from Investing Activities		
	a) Purchase of Fixed Assets	(5,311.70)	(4,874.76)
	b) (Increase) / Decrease in Capital W.I.P	(15,565.52)	(10,263.29)
	c) Interest on Deposits with Banks	1,751.20	1,713.41
	d) Interest on Loans & Advances	68.21	66.53
	e) Sale / Deletion of Fixed Assets	0.00	6.57
	Net Cash flow from Investing Activities	(19,057.81)	(13,351.54)
C.	Cash Flow from Financing Activities		
	Proceeds from issue of Equity Share Capital	12,900.00	2,170.50
	Dividend Paid	(700.00)	(800.00)
	Net cash used for Financing Activities	12,200.00	1,370.50
	NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	(3,605.87)	(4,998.81)
	Cash & Cash Equivalent at the beginning of the year	20,056.57	25,055.38
	Cash & Cash Equivalent at the end of the year	16,450.70	20,056.57
		(3,605.87)	(4,998.81)

For S. Ganguli and Associates

Chartered Accountants

D. P. Saha

Partner

P. V. Dubey

Company Secretary

R. P. Gupta

Director (Finance)

D. Acharya

Director (Tech.)

R. Gupta

Chairman & Managing Director

Membership No. 003935

Place : Mumbai

Date : 27th June, 2008

Twenty Five Year Digest

(Rs. in Lakh)

Year	Income	Materials	Salaries Wages & other Benefits	Depre- ciation	Interest	Other expenses and Overheads	Profit / Loss before tax
1983-84	1271.51	207.9	345.4	81.7	10.4	497.2	120.3
1984-85	1487.2	272.4	449.1	83.6	9.3	573.9	108.6
1985-86	1695.6	354.4	488.5	83.9	—	635.2	123.5
1986-87	2047.2	412.3	572.4	126.4	6.3	645.4	214.4
1987-88	2047.2	347.7	664.3	171.6	12.8	839.9	751.5
1988-89	3358.2	449.9	750.2	174.6	4.2	1104.8	892.3
1989-90	3882.2	465.9	1026.4	157.7	0.4	1142.5	1092.4
1990-91	3080.6	398.0	938.5	197.9	—	1237.2	323.5
1991-92	3929.3	518.8	1167.1	214.4	—	1455.0	571.8
1992-93	4249.2	659.3	1369.8	217.9	2.1	1624.1	376.5
1993-94	4775.7	788.3	1415.5	291.7	0.7	1970.5	309.0
1994-95	5730.1	1082.3	1530.6	353.4	18.6	2396.1	349.1
1995-96	7149.8	1064.5	2569.6	1286.7	10.2	2187.7	31.1
1996-97	8601.1	1037.0	3141.5	1404.8	0.1	3693.6	(-)676.0
1997-98	11140.5	1107.0	3429.6	1067.3	—	5019.9	516.7
1998-99	13417.5	1252.7	4255.9	1236.4	—	6495.0	177.5
1999-00	14533.0	1461.9	4522.2	1685.2	—	5361.4	1307.9
2000-01	14797.0	1612.7	4768.8	1842.9	—	6167.4	405.2
2001-02	16597.1	1746.8	5524.9	2054.1	—	6399.3	872.0
2002-03	19357.1	1740.5	5274.5	2069.9	—	7500.0	2772.4
2003-04	21396.9	2248.4	5596.8	2236.3	—	9389.7	1925.7
2004-05	25497.0	2590.01	5945.24	2443.43	—	9896.72	4621.6
2005-06	28156	3121	7309	2468	—	10332	4926
2006-07	29781	4138	8817	2592	—	9856	4378
2007-08	30436	4786	9929	2518	—	11061	2142

Profit/Loss after tax	Capital	Loans	Reserves and Surplus	Gross Block	Total Depre- ciation	Net Block	Number of Employees as on 31st March
55.5	1360.8	164.0	271.9	1795.2	1083.4	711.1	2773
40.7	1695.7	79.0	321.2	1864.2	1173.9	691.2	2799
72.5	1714.3	79.0	403.9	2250.9	1283.4	967.5	2905
159.4	2239.3	193.0	633.2	2726.3	1444.8	1281.5	3115
471.5	2439.2	94.0	1104.2	3030.3	1661.3	1369.9	3180
552.3	2575.3	—	1557.2	3300.3	1841.8	1458.5	3392
657.4	5589.3	—	2314.8	3701.3	2035.2	1666.1	3477
143.5	6989.3	—	2458.3	4029.4	2289.8	1739.6	3629
245.8	12417.2	—	2654.4	4933.5	2590.3	2343.2	3748
146.2	17017.3	—	2802.0	5262.4	2824.3	2438.1	3898
104.4	22517.3	—	2906.5	9085.1	3574.4	5510.7	3904
801.9	30517.3	—	3708.4	11277.1	4396.1	6888.0	4024
78.6	5422.3	—	3787.1	18558.6	5813.8	12744.8	4171
(-)854.0	36922.3	—	1326.6	19008.1	7203.8	11804.2	4249
251.4	37075.3	—	1523.0	25203.8	8644.3	16559.5	4312
367.1	41982.3	—	1808.0	34057.7	10039.8	24018.0	4385
1151.1	41982.3	—	2666.4	36438.7	11894.8	24543.9	4408
303.7	41982.3	—	2902.3	38041.5	13915.3	24126.3	4420
588.2	38339.3	64.4	4971.5	38510.6	16076.3	22434.3	4218
480.84	41839.3	—	4398.8	43443.2	18062.2	25381.0	4147
978.7	49839.3	—	4981.8	48591.2	20109.6	28481.6	4064
2925.1	63389.3	—	7222.8	52746.6	22813.5	29933.1	4034
3161	69094	—	9472	57074	25509	31566	4103
2751	71265	—	11403	61942	28192	33750	4276
1463	84165	—	12433	67254	31012	36242	4439