

HINDUSTAN COPPER LIMITED
CORPORATE OFFICE, MARKETING

MARKETING POLICY FOR SALE OF COPPER PRODUCTS (w. e. f. 16.02.17)

1. Pricing Formula for Copper Products :

Basic Price = [(LME price + Premium) X Multiplication Factor X Exchange Rate] + Handling Charges

a) LME Price Options :

- A. Daily London Metal Exchange (LME) Cash Settlement Price (CSP)
- B. Average CSP (Fortnight)
 - 1st Fortnight – 1st to 15th,
 - 2nd Fortnight – 16th to end of month and
 - **Mid Fortnight – 8th to 21st**
- C. Average CSP (Month)
 - 1st to end of the month
- D. Average CSP (Week)
 - 1st Week-1st to 7th,
 - 2nd Week-8th to 14th,
 - 3rd Week-15th to 21st and
 - 4th Week-22nd to end of month

E. Realtime LME SPOT / WATCH

Note: Lifting Options:

- Immediate
- Forward (1/2/3/6 Month) : Minimum lot size of 9MT

Note: Forward option is available only for CSP/Realtime and not Average bookings.

6 month spread from Reuters Screen to be added over 3 month LME. Security deposit of 20% will be required to be deposited against all such bookings.

- F. Pricing Policy for supply of 19.6 mm CCR to “Registered RDSO vendors for onwards supply to Indian Railways:

Pricing Formula
As per prevalent Indian Railway Price Variation Clause regarding LME rate of Copper and Exchange Rate conversion mentioned in the respective tenders and Purchase Order.

The special pricing for supply of 19.6 mm CCR to registered RDSO vendors for onwards supply to Indian Railways will be subject to fulfilling the documentations detailed below -

- i. Copy of valid certificate issued by Research Design & Standards Organizations (Railways) to registered vender for HDGC contact wires.
- ii. Copy of tenders of Railways for supply of above product.
- iii. Copy of Railways PO for supply of above product.
- iv. Copy of stage inspection certificate along with all the annexure including HCL Invoice of 19.6 mm CCR, all duly signed by M/s RITES Inspectors.

- v. Copy of duly signed inspection report of Rites towards inspection of HDGC contact wires.
- vi. Copy of LR duly received by Railways Stores.
- vii. QP shall be finalized based on the certificate provided by vendor along with the copy of request e-mail/fax for inspection of finished goods & its confirmation by M/s Rites.
- viii. The willing customer shall provide an Undertaking that they will submit the documents mentioned at point nos. "iv to vii" above on receipt of the same along with declaration that entire quantity of PO received from Indian Railways shall be lifted from HCL only.

The willing customers for the above policy will have to deposit an interest free security amount of Rs 50.0 lakhs through RTGS only to HCL before making booking of 19.6 mm CCR under the above policy. The security amount will remain with HCL until the completion of supply of entire contracted quantity of contact wires to Indian Railways. The above security amount will be forfeited in case the customer fails to lift the contracted quantity.

b) Premiums over LME Price

Product	Premium	
	CSP / Monthly Avg/ Realtime	PC/ FN / W
CC Rod 8 mm (Std. & N Std.)	200	210
CC Rod 11 mm & 12.5 mm	230	240
CC Rod 16 mm	240	250
CC Rod 19.6 mm	260	270
Cathode (Full)	110	110
Cathode (Cut)	130	140

Where: D= Daily CSP, M=Monthly avg. CSP, W=Weekly Avg. CSP, FN=Fortnightly avg. CSP,

c) Multiplication Factor : 1.056

d) Exchange rate Options :

For Daily CSP Bookings:

- SBI TT Selling Rate of Date of CSP (D) OR
- RBI Reference Rate of Date of CSP (D) + Re.0.20 OR
- SBI TT Selling Rate of Date next to Date of CSP (D+1) OR
- RBI Reference Rate of Date next to Date of CSP (D+1) + Re.0.20

Note: Exchange rate of previous working day in case of SBI/RBI holiday on date of CSP for CSP (D) option and Next working day in case of SBI/RBI holiday on date of CSP for CSP (D+1) option.

For Average CSP Bookings:

- Average SBI TT Selling Rate of W/FN/M OR
- Average RBI Reference Rate of W/FN/M + Re.0.20

The customer shall select one particular Exchange Rate Option out of the above, at the time of submitting their booking in HCL website. In case no option is selected, SBI TT Selling of Date of CSP or Average SBI TT Selling of W/FN/M as the case may be, shall be considered.

e) **Handling Charges:** Rs.3300 PMT

f) **Price Differential:**

- CC Rod 8mm Non Standard – Rs.400/-PMT lowers than CC Rod 8mm
- Cathode (Cut) – Rs.1500/-PMT higher than Cathode (Full)

Note: Excise Duty, Sales Tax and such other taxes as may be applicable shall be charged to the customer as per rules.

2. Incentives

a) **Freight Rebate :**

Freight rebate shall be allowed as per Company's policy, to customers of CC Rods & Cathode based on their location with respect to the HCL godown from where material is lifted.

b) **Sales Tax Reimbursement :**

- 0.25% on CST Sale of CCR & Cathode for lifting below 100MT CCR & Cathode per month
- 0.5% on CST Sale of CCR & Cathode for lifting 100MT – 200MT CCR & Cathode per month
- 1.0% on CST Sale of CCR & Cathode for lifting above 200MT CCR & Cathode per month

c) **Handling Discount :**

- Handling Discount @Rs.1000/- PMT on lifting of CC Rod Ex-TCP against bookings made w.e.f. 01.08.13.
- Handling Discount at @Rs. 1000/- PMT on lifting of Cathode Ex-GCP & Ex-ICC on bookings made w.e.f 04.01.2017.

d) **Rebate of USD50 PMT on Sale of CCR and Cathode against CSP / Monthly/Fortnight/Week average CSP / Realtime Spot / Realtime Watch (received upto 4:30 summer /5:30 PM winter) order bookings made w.e.f 04.01.2017. Exchange rate applicable shall be average RBI Ref + 0.20 for the month of lifting**

e) **Quantity Rebate on Sale of CCR & Cathode against bookings made w.e.f 04.01.2017**

Quantity Lifted in a calendar month (MT)	Applicable Rebate (USD PMT) on lifted Quantity against	
	CSP Booking received upto 4:30PM*/Real Time Watch Order (25MT+)/Monthly Average booking made w.e.f 04.01.2017	CSP Booking received after 4:30PM*/Real Time spot Order/FN/WK Average booking made w.e.f 04.01.2017
Upto 100MT	20	10
Above 100MT and upto 200MT	25	20
Above 200MT and upto 500MT	30	25
Above 500MT	40	30

[Note: CSP LME Winter timing 5:30PM / LME Summer timing 4:30PM & Monthly Avg Booking by 4:30 PM on 1st LME working day of every month. Present winter timing is applicable from 30.10.2016 to 25.03.2017. Thereafter summer timing which will be as per GMT clock reset from time to time]

3. Procedure for Sales Order Booking

All customers are required to first get registered (Steps of Registration detailed at Item 8 below) and login at Company website www.hindustancopper.com under the Business-> Spot Booking option using their USER ID and PASSWORD. Then customers can go to Place Order Screen to book sales orders On-Line mentioning the following details and submitting the order:

- a) Product of Interest – Particular Copper product required by the customer
- b) Order Type – One of the LME Price Options mentioned at 1 a) above
- c) Booking Option - SPOT / **WATCH**
- d) Lifting Option - Immediate / Forward
- e) Time of Realtime Booking (in Hr:Min:Sec AM/PM) – Compulsory only in case of Realtime
- f) Product Price (in USD Per MT) - Compulsory only in case of Realtime
- g) Booked Quantity – In multiples of 2.7MT 1.1MT in case of CCR
- h) Remarks (if any)

HCL shall confirm the Quantity and Price accepted which shall be updated in the web booking site and an auto mailer shall be sent to customer's registered e mail id.

Thereafter the customers shall contact respective HCL Regional Sales Office for payment and lifting of material from HCL godowns.

4. Timing of receiving of Web Bookings :

- Daily LME CSP : By 8:05 PM on the date of CSP
- Fortnightly (F) LME CSP average : All days of each Fortnight
- Monthly (M) LME CSP average : First 7 days of each Month
- Weekly (W) LME CSP average : All days of each Week
- Realtime LME : Within 30 minutes of Realtime LME Time offered in Web booking (SPOT)**

Guidelines for acceptance of Realtime LME booking:

- i) ASK figure of 3month + Cash to 3Month Spread of Realtime LME in Reuters Screen at HCL, Corporate Office, shall be considered.
- ii) GMT timing in Reuters screen to the exact Hr: Min: Sec shall be converted to IST Timing of Booking by adding 5hrs:30mins (summer/ Winter GMT Timing difference as applicable).
- iii) Realtime LME booking (SPOT) quoted by customer shall be checked with the LME figures as per Reuters during preceding 1 minute of the Realtime Timing quoted by the customer and shall be confirmed as it is if matching with any LME during the minute, else the average of the highest and lowest Realtime LME during that minute shall be confirmed to the customer.
- iv) In case of Watch option, the Realtime LME (3 Month Plus Cash to 3 Month spread) data of Reuters screen, from the offer time mentioned in the customer's offer up to the closing of official LME for the date of booking (around 11:30pm IST) shall be considered and sale will be booked at the customer's offered LME level if the Realtime LME touches or goes below the customer indicated LME level.

5. Lifting Period of LME Booking :

- i) CSP/Realtime: Within 15 days after date of booking.
- ii) Fortnightly Average CSP: Within the fortnight of booking plus two working days for payment and three working days for lifting of material.
- iii) Weekly Average CSP: Within the Week of booking plus two working days for payment and three working days for lifting of material.
- iv) Monthly average CSP: Within Month of booking.
- v) Forward LME: Within 15 days after completion of one / two / three months (as the case may be) from the date of booking.

Note: Working day is defined as all days excluding Saturday, Sunday and Holidays at the respective HCL, Regional Sales Offices.

6. Payment Terms :

100% advance payment through RTGS / NEFT or LC / BG with usance period of 30/60/90 days at Interest Rate prevailing on the date of delivery as per Price Circular in HCL Website and overdue interest for the delay period @2% over and above the applicable interest rate, in case of delay beyond usance period.

All Refund / Disbursement of credit to the customer will be through RTGS after receiving the required Bank mandate from the customer.

Interest rate of 10 % shall be applicable for credit sales backed by LC/BG etc. w.e.f. 04.01.2017.

7. General Instructions :

Customers shall be required to pay 5% of applicable financial arrangement and 15% of financial arrangement as Security Deposit for immediate lifting option and forward lifting option respectively at the HCL Regional Sales Office after booking submission / receipt of acknowledgement mail from HCL. Only on confirmation of receipt of Security Deposit by Regional Office, booking shall be confirmed and customers shall lift the material from HCL godowns within scheduled date.

Lifting of material by the customers against such bookings shall be strictly in the order of the bookings confirmed.

In case a customer fails to lift the booked quantity within the stipulated period due to non-availability of material, they may be allowed additional 7 days to lift the same, subject to receipt of 10% of booking value as payment instrument in addition to the Security of 5%, at the respective HCL Regional Sales Office Finance on or before end of the stipulated period of lifting.

In case the booked price of a pending booking is lower than the price ruling on the last date of stipulated period of lifting and the material was not lifted despite material availability, the booking shall be liable for cancellation.

In case of customer defaulting lifting against LME booking when a lower priced booking is pending, equivalent quantity of lower priced booking shall be cancelled and the date of lifting against the higher priced booking shall be extended to the stipulated date of lifting of the low priced booking.

8. Registration of Customers :

After possessing Central Excise Registration and Tax Identification Number (TIN) customers may proceed to use either of these TWO easy alternatives.

- i. Contact any of the HCL, Regional Sales Offices with copies of the above documents in person at the address given in HCL website ; or
- ii. Mail request for registration to any of the email-ids given below attaching scanned copies of the above documents.

dey_s@hindustancopper.com	(Regional Office – North, Delhi)
saurabh_c@hindustancopper.com	(Regional Office – East, Kolkata)
verma_s@hindustancopper.com	(Regional Office – West, Mumbai)
sunil_p@hindustancopper.com	(Regional Office – South, Bangalore)

The respective Regional Sales Office Finance shall confirm that the customer has given KYC at their Banker, before activation of the customer for Web booking.

In order to Book Sales Order On-Line on HCL website, Register for the first time by visiting www.hindustancopper.com , Clicking 'Business', then Click 'Spot Booking' followed by 'New User', fill in the details and submit to get 'login ID' and 'Password' through e-mail.

This shall enable customers to book material under the various options provided by the Company by logging in using the above login 'ID' and 'Password'.

The above Marketing Policy may be reviewed from time to time considering the market conditions.

For further details, please contact our Regional/Corporate office.

(Smarajit Dey)
Dy.General Manager (Marketing)