

ANNUAL REPORT - 2015-16



THE COPPER MINER TO THE NATION



हिन्दुस्तान कॉपर लिमिटेड  
**HINDUSTAN COPPER LIMITED**

[www.hindustancopper.com](http://www.hindustancopper.com)

## **Vision**

To strive to be a leading metal mining company and maximize total shareholder return by sustainably finding, developing, and mining Copper ore and such other geologically associated minerals.

## **Mission**

- ◆ To achieve sustainable growth in business through optimum & efficient use of existing resources and assets.
- ◆ To achieve rapid expansion of mining capacity through expansion of existing mines, re-opening of closed mines and greenfield projects.
- ◆ Detailed exploration of existing mines and new mining leases to expand mining capacity.
- ◆ To enhance the value of the Company by focusing on performance improvement.
- ◆ To assimilate state-of-the art technology in exploration, mining and beneficiation of ores for competitive advantage.
- ◆ To strive for continuous improvement in productivity and energy to bring at par with the best internationally.
- ◆ To continue innovation through research & development.



# HINDUSTAN COPPER LIMITED

## (A Government of India Enterprise)

Auditors	Contents	Page No.
M/s. A. Kayes & Co., Kolkata	1. Board of Directors	2
<b>Bankers</b>	2. Notice to the Members	3
State Bank of India	3. Report of the Board of Directors	13
State Bank of Bikaner and Jaipur	4. Report on Corporate Governance	43
United Bank of India	5. Certificate on Corporate Governance	50
Indian Overseas Bank	6. Secretarial Audit Report	51
Punjab National Bank	7. Comments of the Comptroller & Auditor General of India	54
State Bank of Hyderabad	8. Ten years at a glance	55
ICICI Bank	9. Independent Auditor's Report	56
<b>Registrar and Transfer Agent</b>	10. Balance Sheet	66
M/s. C B Management Services (P) Ltd.	11. Statement of Profit & Loss	67
P-22 Bondel Road, Kolkata - 700 019	12. Cash Flow Statement	68
Tel No. : (033) 2280 6692, 4011 6700/18/23/28	13. Significant Accounting Policies	70
Fax No. : (033) 4011 6739	14. Notes forming part of the Balance Sheet	75
E-mail : rta@cbmsl.com	15. Notes forming part of the Statement of Profit & Loss	89
<b>Registered Office</b>	16. General Notes on Accounts	94
"Tamara Bhavan"		
1 Ashutosh Chowdhury Avenue		
Kolkata - 700 019, India		
Tel No. : (033) 2283 2226, 2283 2529		
Fax No. : (033) 2283 2478, 2283 2640		
E-mail : investors_cs@hindustancopper.com		
CIN : L27201WB1967GOI028825		
Website : www.hindustancopper.com		

### Important Communication to Members

Members are requested to convert their shares into electronic mode and register e-mail and Bank account details for better servicing. Please refer notes to AGM notice

Forty Ninth Annual General Meeting on Monday, 26th September, 2016 at 10:30 a.m.

The Annual Report can be accessed at [www.hindustancopper.com](http://www.hindustancopper.com)

## BOARD OF DIRECTORS



**Shri K.D. Diwan**  
Chairman-cum-Managing Director



**Shri Nikunja Bihari Dhal**  
Government Nominee Director



**Shri Anupam Anand**  
Director (Personnel)



**Shri. V. V. Venugopal Rao**  
Director (Finance)



**Shri S K Bhattacharya**  
Director (Mining)



**Shri Santosh Sharma**  
Director (Operations)



**Dr. U. D. Choubey**  
Independent Director



**Shri Ashok Kumar Singh**  
Independent Director



**Ms. Simantini Jena**  
Independent Director



**Shri Hemant Mehtani**  
Independent Director



**Shri Dileep Raj Singh Chaudhary**  
Independent Director



**Shri Niranjan Pant**  
Independent Director

*As on date of printing*



## HINDUSTAN COPPER LIMITED

(CIN: L27201WB1967GOI028825)

Regd. Office: 'Tamra Bhavan', 1, Ashutosh Chowdhury Avenue, Kolkata - 700 019  
Phone: (033) 2283-2226, Fax: (033) 2283-2676, E-mail: investors\_cs@hindustancopper.com  
Website: www.hindustancopper.com

### NOTICE TO THE MEMBERS

Notice is hereby given that 49th Annual General Meeting of the members of Hindustan Copper Limited will be held on Monday, the 26th September, 2016 at 10:30 am at the registered office of the Company at 'Tamra Bhavan' 1 Ashutosh Chowdhury Avenue, Kolkata-700 019 ( opposite to Ice Skating Hall / Modern High School for Girls) to transact the following business :-

#### Ordinary Business

- 1) To receive, consider and adopt the audited Financial Statement for the year ended 31st March, 2016 together with the Reports of the Directors, Auditors and C&AG.
- 2) To appoint a director in place of Shri Kailash Dhar Diwan (DIN 01829545), who retires by rotation and is eligible for reappointment.
- 3) To appoint a director in place of Shri Anupam Anand (DIN 02752767), who retires by rotation and is eligible for reappointment.
- 4) To fix remuneration of the Auditors.

#### Special Business

- 5) To consider and, if thought fit, to pass with or without modifications, the following resolution as Ordinary Resolution:  
"RESOLVED THAT pursuant to Section 152 and all other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), appointment of Shri Nikunja Bihari Dhal (DIN 01710101) as Director on the Board of the Company with effect from 14.9.2015 in terms of Ministry of Mines' order No. 10(2)/2002-Met.III dated 14.9.2015 be and is hereby approved."
- 6) To consider and, if thought fit, to pass with or without modifications, the following resolution as Ordinary Resolution:  
"RESOLVED THAT pursuant to Section 152 and all other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), appointment of Shri Sanjay Kumar Bhattacharya (DIN 07276836) as Director (Mining) of the Company with effect from 15.9.2015 in terms of Ministry of Mines' order No. 10/9/2014-Met.III (Vol. I) dated 14.9.2015 be and is hereby approved."
- 7) To consider and, if thought fit, to pass with or without modifications, the following resolution as Ordinary Resolution:  
"RESOLVED THAT pursuant to Section 152 and all other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), appointment of Smt Simantini Jena (DIN 07346980) as Director on the Board of the Company with effect from 17.11.2015 in terms of Ministry of Mines' order No. 10/7/2014-Met.III (Pt. I) dated 17.11.2015 be and is hereby approved."
- 8) To consider and, if thought fit, to pass with or without modifications, the following resolution as Ordinary Resolution:  
"RESOLVED THAT pursuant to Section 152 and all other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), appointment of Shri Hemant Mehtani (DIN 02875561) as Director on the Board of the Company with effect from 17.11.2015 in terms of Ministry of Mines' order No. 10/7/2014-Met.III (Pt. I) dated 17.11.2015 be and is hereby approved."



## NOTICE TO THE MEMBERS (Contd.)

- 9) To consider and, if thought fit, to pass with or without modifications, the following resolution as Ordinary Resolution:
- "RESOLVED THAT pursuant to Section 152 and all other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), appointment of Shri Dileep Raj Singh Chaudhary (DIN 00269508) as Director on the Board of the Company with effect from 1.12.2015 in terms of Ministry of Mines' order No. 10/7/2014-Met.III (Pt. I) dated 1.12.2015 be and is hereby approved."
- 10) To consider and, if thought fit, to pass with or without modifications, the following resolution as Ordinary Resolution:
- "RESOLVED THAT pursuant to Section 152 and all other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), appointment of Shri Niranjana Pant (DIN 00229550) as Director on the Board of the Company with effect from 1.12.2015 in terms of Ministry of Mines' order No. 10/7/2014-Met.III (Pt. I) dated 1.12.2015 be and is hereby approved."
- 11) To consider and, if thought fit, to pass with or without modifications, the following resolution as Ordinary Resolution:
- "RESOLVED THAT pursuant to Section 152 and all other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), appointment of Shri Santosh Sharma (DIN 07431945) as Director (Operations) of the Company with effect from 1.3.2016 in terms of Ministry of Mines' order No.10/1/2015-Met.III (Vol. I) dated 24.2.2016 be and is hereby approved."
- 12) To consider and, if thought fit, to pass with or without modifications, the following resolution as Ordinary Resolution:
- "RESOLVED THAT pursuant to Section 148 of the Companies Act, 2013 and Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the remuneration of ₹55,000/- (Rupees fifty five thousand only) plus service tax as applicable and reimbursement of actual travel and out-of-pocket expenses as recommended by the Audit Committee and approved by the Board of Directors, to be paid to M/s. Chatterjee & Co appointed, as Cost Auditor, to conduct audit of cost records of the Company for the financial year 2016-17 be and is hereby ratified and confirmed."
- 13) To consider and, if thought fit, to pass with or without modifications, the following resolution as Special Resolution:
- "RESOLVED THAT pursuant to the provisions of Section 42 and 71 of the Companies Act, 2013 ('the Act') and Rules made there under, the Securities and Exchange Board of India (Issue & Listing of Debt Securities) Regulations, 2008 and other applicable laws, rules & regulations including any amendment, modification, variation or re-enactment thereof and the provisions of the Memorandum and Articles of Association of the Company and subject to such other approval(s) as may be necessary, consent of the Company be and is hereby accorded to the Board of Directors, to offer, issue and allot, in one or more tranches, Secured or Unsecured Non-convertible Debentures / Bonds on private placement basis amounting to the balance of the already approved limit of ₹800 crore by shareholders under Section 180(1)(c) of the Act on 23.03.2015, on such terms and conditions and at such times, at par or at premium, and to such person or persons, as may be decided by the Board or a Committee of the Board, however that the aggregate amount of funds to be raised by issue of Non-convertible Debentures/Bonds shall not exceed the limit of ₹ 800 crore together with interest as approved by the shareholders."
- "RESOLVED FURTHER that in connection with the above, the Board or the Committee of the Board be and is hereby authorized to do all such acts, deeds, matters and things as may be deemed necessary, desirable, proper or expedient for the purpose of giving effect to this resolution and for matters connected therewith or incidental thereto including appointment of Counter parties/ intermediaries required in the process of such issuance."

By order of the Board  
C S Singhi  
GM & Co Secretary

Date: 26.8.2016



## NOTICE TO THE MEMBERS (Contd.)

### NOTES:

- 1) **A member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself / herself and the proxy need not be a member of the Company. Proxies, in order to be valid and effective, must be deposited at the registered office of the Company not less than 48 hours before the commencement of the meeting. A person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person cannot act as a proxy for any other person or shareholder.**
- 2) Statement pursuant to Section 102(1) of the Companies Act, 2013 (the Act), in respect of Item no 5 to 13 as set out above is annexed hereto. Route Map indicating venue of the Annual General Meeting (AGM) is given at the end of the Notice.
- 3) The Register of Members and Share Transfer Books of the Company will remain closed from 20th September, 2016 to 26th September, 2016 (both days inclusive).
- 4) Members are requested to notify immediately change in their address and Bank mandate, if any, to the Depository Participants (DPs) in respect of their electronic shares, and to the Company at its registered office in respect of their physical shares, quoting the folio numbers.
- 5) Members desirous of getting any information about the accounts and operations of the Company or intending to raise any query at the AGM are requested to forward the same at least 10 days prior to the date of the meeting to the Company Secretary at the registered office of the Company so that the information required can be made readily available at the meeting.
- 6) Corporate members are requested to send a duly certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.
- 7) Members are requested to register/ update their e-mail address by submitting the 'Email Registration Form' available at the Company's website [www.hindustancopper.com](http://www.hindustancopper.com). Members holding share in electronic form are requested to register/ update e-mail address with their respective DPs.
- 8) Members holding shares in physical form are requested to convert their shares in demat mode to avail easy liquidity and to prevent incidence of loss of physical share certificate.
- 9) Relevant documents referred to in the Notice are open for inspection at the registered office of the Company on all working days (barring Saturday, Sunday and Holidays) between 11:00 a.m. to 1:00 p.m. up to the date of the AGM.
- 10) Members are requested to:-
  - a. produce the enclosed Attendance Slip duly filled & signed as per specimen signature recorded with the Company / DPs for admission to the meeting venue.
  - b. bring their Client ID and DP ID numbers for easy identification of attendance at the meeting in respect of shares held in dematerialized form.
  - c. bring their copy of Annual Report to the meeting as extra copies shall not be provided.
  - d. quote their Folio / Client ID & DP ID Nos in all correspondence.
  - e. note that due to security reasons, brief case, eatables and other belongings are not allowed inside the meeting venue.
- 11) Voting through electronic means:
  - I. As per Section 108 of the Act and Rules notified there under and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is providing its members the facility to exercise their right to vote on resolutions proposed to be considered at the 49th AGM by electronic means. The facility of casting the votes by the members using electronic voting system from a place other than venue of the AGM (remote e-voting) will be provided by Central Depository Services (India) Limited (CDSL).
  - II. A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date of 19th September, 2016 only shall be entitled to avail the facility of remote e-voting or voting at the AGM. A person who is not a member as on cut-off date should treat this Notice for information purposes only.
  - III. The facility for voting through ballot process shall be made available at the AGM and the members attending the AGM who have not cast their vote through remote e-voting shall be able to exercise their rights at the



## NOTICE TO THE MEMBERS (Contd.)

AGM. ( Note: Ballot process may be carried out by distributing ballot / poll slips or by making arrangement for voting through computer or secure electronic systems as may be decided by the Company)

- IV. The remote e-voting period commences on 23rd September, 2016 (9:00 am) and ends on 25th September, 2016 (5:00 pm). During this period members of the Company, holding shares either in physical form or in dematerialized form as on the cut-off date of 19th September, 2016, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- V. A member who has cast his vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled vote again and his vote, if any, cast at the AGM shall be treated as invalid.
- VI. The process and manner for remote e-voting are as under:
  - (i) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com) and click on "Shareholders".
  - (ii) Now, select the Electronic Voting Sequence Number '160811030' along with 'Hindustan Copper Ltd.' from the drop down menu and click on 'Submit'.
  - (iii) Now enter your User ID (For CDSL: 16 digits beneficiary ID; For NSDL: 8 Character DP ID followed by 8 Digits Client ID). Members holding shares in physical form should enter Folio Number registered with the Company and then enter the Image Verification as displayed and click on Login.
  - (iv) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
  - (v) If you are a first time user follow the steps given below:

PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (applicable for both demat as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
Dividend Bank Details or Date of Birth	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field.</li> </ul>

- (vi) After entering these details appropriately, click on "Submit" tab.
- (vii) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (viii) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for the relevant <Hindustan Copper Ltd.> on which you choose to vote.
- (x) On the voting page, you will see "Resolution Description" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xi) Click on the "Resolutions File Link" if you wish to view the entire Resolution details.
- (xii) After selecting the resolution you have decided to vote on, click on "Submit". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "Cancel" and accordingly modify your vote.
- (xiii) Once you "Confirm" your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.



## NOTICE TO THE MEMBERS (Contd.)

- (xv) If a demat account holder has forgotten the login password then enter the User ID and the image verification code and click on "Forgot Password" & enter the details as prompted by the system.
- (xvi) Members can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xvii) Note for Non - Individual Shareholders and Custodians
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporate. A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xviii) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- (xix) The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 19th September, 2016.
- (xx) Any person, who acquires shares of the Company and become member of the Company after dispatch of the AGM Notice and holding shares as of the cut-off date i.e. 19th September, 2016, may obtain the login ID and password by sending a request at [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or RTA.
- (xxi) Mr. Navin Kothari, (Membership No. FCS 5935 and CP No 3725) of M/s N K & Associates, Practicing Company Secretary has been appointed as the Scrutinizer for providing facility to the members of the Company to scrutinize the remote e-voting and voting process at the AGM in a fair and transparent manner.
- (xxii) The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of Scrutinizer for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- (xxiii) The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or any other Director authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- (xxiv) The Result of the voting with details of number of votes cast for and against the resolutions, invalid votes and whether the resolutions have been carried or not shall be displayed on the Notice Board of the Company at its registered and corporate office immediately after the declaration of result by the Chairman or a Director authorized by him in writing. Further, the results of the voting along with the Scrutinizer's Report shall also be placed on the Company's website [www.hindustancopper.com](http://www.hindustancopper.com) and on the website of CDSL. The results shall also be immediately forwarded to the stock exchanges.
- (xxv) Name, designation, address, e-mail ID and phone number of the person responsible to address the grievances connected with the e-voting is given:

Mrirtunjay Kumar Dev  
Dy. Mgr. (Company Secretary)  
Hindustan Copper Ltd  
1 Ashoutosh Chowdhury Avenue, Kolkata - 700019  
E-mail: [mritunjay\\_kd@hindustancopper.com](mailto:mritunjay_kd@hindustancopper.com)  
Phone No: (033) 2283-2226



## NOTICE TO THE MEMBERS (Contd.)

### ANNEXURE TO NOTICE

(Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 (the Act))

#### Item No 5

**Shri Nikunja Bihari Dhal** has been appointed as part time non-official Director of the Company with effect from 14.9.2015 in terms of Ministry of Mines, Government of India (MoM) Order No. 10(2)/2002-Met.III dated 14.9.2015. It is now proposed to regularize his appointment at the ensuing 49th AGM of the Company in order to comply with the relevant provisions of the Act.

Born on 20.6.1969, Shri Dhal is an IAS officer of 1993 batch (Odisha cadre) and at present Joint Secretary, MoM. He is a graduate in Production Engineering from IIT, Delhi and Master of Public Administration from Syracuse University, New York. Shri Dhal was earlier Joint Secretary, Ministry of Health & Family Welfare and Director, Cabinet Secretariat. In the Government of Odisha, Shri Dhal had worked in various capacities including as Commissioner of Commercial Taxes, Vice-Chairman, Bhubaneswar Development Authority. During his tenure as Collector of Koraput, Sundergarh and Angul Districts, he initiated various innovative measures for empowerment of women and tribal communities and Panchayati Raj Institutions.

Shri Dhal is also a Director on the Board of National Aluminium Company Ltd. (NALCO) and a member of Committee of Directors for Projects and New Ventures of NALCO. Shri Dhal does not hold any share in the Company. The Board considers that his continued association would be of immense benefit to the Company and recommends his appointment as Director of the Company. None of the Directors, Manager and other Key Managerial Personnel (KMP) of the Company is related to Shri Dhal. Shri Dhal attended two out of four Board meetings held during 2015-16 after his appointment. Except Shri Dhal, none of the Directors or KMP of the Company or their relatives is in any way, concerned or interested, financially or otherwise in the resolution set out at Item No 5.

#### Item No. 6

**Shri Sanjay Kumar Bhattacharya** has taken over as Director (Mining) of the Company with effect from 15.9.2015 in terms of MoM Order No. 10/9/2014-Met.III (Vol.I) dated 14.9.2015 in the scale of pay of ₹ 75,000 - 1,00,000/- and other terms and conditions of appointment as may be determined by the Government from time to time, for a period of five years from the date of his assumption of charge of the post on 15.9.2015, or till the date of his superannuation or until further orders, whichever is the earliest. It is now proposed to regularize his appointment at the ensuing 49th AGM of the Company in order to comply with the relevant provisions of the Act.

Born on 3.12.1959, Shri Bhattacharya is B E (Mining) from NIT, Raipur and MBA (International Business). He is a qualified Mining Person under Mines Act, 1952, possessing first class Mines Manager Certificate of Competency to manage Open Cast Metalliferous Mines. He has 35 years of varied and diversified work experience in Copper mining (16 years at HCL), Iron Ore Mining (11 years at NMDC), Bauxite Mining (3 years at BALCO) and in construction activities for infrastructure developments like State Highways, Mining of Rock-Phosphate & Bauxite Minerals for State Govt. and State Mining PSUs through private participation (5 Years). Prior to joining the Board, Shri Bhattacharya was General Manager (Mines) at Malanjkhand Copper Project of the Company.

Shri Bhattacharya does not hold directorship in other companies. He also does not hold any share in the Company. The Board considers that his continued association would be of immense benefit to the Company and recommends his appointment as Director (Mining) of the Company. None of the Directors, Manager and other KMP of the Company is related to Shri Bhattacharya. Shri Bhattacharya attended all four Board meetings held in 2015-16 after his appointment. Except Shri Bhattacharya, none of the Directors or KMP of the Company or their relatives is in any way, concerned or interested, financially or otherwise in the resolution set out at Item No 6.

#### Item No. 7

**Smt. Simantini Jena**, has been appointed as part time non-official (Independent) Director of the Company with effect from 17.11.2015 in terms of MoM order No.10/7/2014-Met.III (Pt. I) dated 17.11.2015. It is now proposed to regularize her appointment at the ensuing 49th AGM of the Company in order to comply with the relevant provisions of the Act.



## NOTICE TO THE MEMBERS (*Contd.*)

Born on 11.2.1965, Smt. Jena is M.A. in History, B.Ed. and LL.B. from Utkal University and holds a Multimedia Diploma from NIIT. She has been a citizens' and civil liberty activist, has taken part in human rights awareness camps, constitutional awareness workshops, health programs and legal awareness programs, relief & rehabilitation programs as well as educational programs (some in participation with the Government). Smt Jena had conducted programs for jail inmates and had played a significant role in formation of Self-help Groups. She is associated to several legal cells, educational trusts and foundations, welfare associations, civil liberty fora and media groups in various honorary capacities. Smt. Jena is a Rashtriya Akta Awardee by State Bank of India, Odisha in 2004 for working on a near-extinct Adivasi language "KWI". She is also presently teaching History and English (part time) in Pokhariput Govt. Minor School.

Smt. Jena does not hold directorship in other companies. She also does not hold any share in the Company. Smt. Jena has furnished a declaration to the Board that she meets the criteria of independence as provided in Section 149(6) of the Act. In the opinion of the Board, Smt. Jena fulfils the conditions specified in the Act and rules made there under for her appointment as part time non-official / independent Director and recommends her appointment on the Board. Smt. Jena shall be paid such sitting fees and reimbursement of actual travel expenses incurred for attending meetings of the Board and its Sub-Committee as the Board may approve from time to time. None of the Directors, Manager and other KMP of the Company is related to Smt Jena. Smt Jena attended three out of three Board meetings held during 2015-16 after her appointment. Except Smt. Jena, none of the Directors or KMP of the Company or their relatives is in any way, concerned or interested, financially or otherwise in the resolution set out at Item No.7.

### Item No. 8

**Shri Hemant Mehtani** has been appointed as part-time non-official (Independent) Director of the Company with effect from 17.11.2015 in terms of MoM order No.10/7/2014-Met.III (Pt. I) dated 17.11.2015. It is now proposed to regularize his appointment at the ensuing 49th AGM of the Company in order to comply with the relevant provisions of the Act.

Born on 11.11.1960, Shri Mehtani is M Com from Devi Ahilya Vishwavidyalaya, erstwhile Indore University. An Industrialist and first generation entrepreneur, Shri Mehtani started his business in the year 1984 with a manufacturing unit of One Time Carbon Paper extensively used in computers and later diversified the business into Warehousing & Constructions. Shri Mehtani is the Governing Council Member of National Institute of MSME, Govt. of India for 2014-16. He was the ZRUCC Member of Western Railway, Mumbai, as well as the President of Association of Industries, Madhya Pradesh, a State-Level SME organization of MP from 2013 to 2015. Apart from these, he has been the Vice-President, Federation of Chamber of Commerce and Industries, Bhopal, and is associated with a number of academic institutions, clubs, industrial and autonomous bodies and business fora in various honorary capacities.

Shri Mehtani is a Director on the Board of Entrepot Infrastructure Pvt. Ltd. He does not hold any share in the Company. He has furnished a declaration to the Board that he meets the criteria of independence as provided in Section 149(6) of the Act. In the opinion of the Board, Shri Mehtani fulfils the conditions specified in the Act and rules made there under for his appointment as part time non-official / independent Director and recommends his appointment on the Board. Shri Mehtani shall be paid such sitting fees and reimbursement of actual travel expenses incurred for attending meetings of the Board and its Sub-Committee as the Board may approve from time to time. None of the Directors, Manager and other KMP of the Company is related to Shri Mehtani. Shri Mehtani attended three out of three Board meetings held during 2015-16 after his appointment. Except Shri Mehtani, none of the Directors or KMP of the Company or their relatives is in any way, concerned or interested, financially or otherwise in the resolution set out at Item No 8.

### Item No. 9

**Shri Dileep Raj Singh Chaudhary** has been appointed as part-time non-official (Independent) Director of the Company with effect from 1.12.2015 in terms of MoM order No.10/7/2014-Met.III (Pt. I) dated 1.12.2015. It is now proposed to regularize his appointment at the ensuing 49th AGM of the Company in order to comply with the relevant provisions of the Act.

Born on 12.8.1953, Shri Chaudhary is MA and IAS (1977 batch). He was posted as Secretary, Ministry of Steel prior to his retirement on 31.08.2013. Shri Chaudhary has held various positions in key economic Ministries under both State and Central Government including as Special Secretary, Ministry of Home, Additional Secretary and Financial Adviser in the Department of Industrial Policy and Promotion, Secretary, Department of Public Enterprises.



## NOTICE TO THE MEMBERS (Contd.)

Shri Chaudhary is Director on the Board of IL&FS Water Ltd and IL&FS Paradip Refinery Water Ltd. He is also member of Audit Committee, Nomination & Remuneration Committee and CSR Committee of IL&FS Water Ltd and Audit Committee and Nomination & Remuneration Committee of IL&FS Paradip Refinery Water Ltd. Shri Chaudhary does not hold any share in the Company. Shri Chaudhary has furnished a declaration to the Board that he meets the criteria of independence as provided in Section 149(6) of the Act. In the opinion of the Board, Shri Chaudhary fulfils the conditions specified in the Act and rules made there under for his appointment as part time non-official / independent Director and recommends his appointment on the Board. Shri Chaudhary shall be paid such sitting fees and reimbursement of actual travel expenses incurred for attending meetings of the Board and its Sub-Committee as the Board may approve from time to time. None of the Directors, Manager and other KMP of the Company is related to Shri Chaudhary. Shri Chaudhary attended three out of three Board meetings held during 2015-16 after his appointment. Except Shri Chaudhary, none of the Directors or KMP of the Company or their relatives is in any way, concerned or interested, financially or otherwise in the resolution set out at Item No 9.

### Item No. 10

**Shri Niranjan Pant** has been appointed as part-time non-official (Independent) Director of the Company with effect from 1.12.2015 in terms of MoM order No.10/7/2014-Met.III (Pt. I) dated 1.12.2015. It is now proposed to regularize his appointment at the ensuing 49th AGM of the Company in order to comply with the relevant provisions of the Act.

Born on 25.6.1953, Shri Pant is M. Sc and a member of Indian Audit & Accounts Service. He is retired Deputy Comptroller & Auditor General of India and a Fellow of International Auditor Fellowship Program of the Government Accounting Office, United States. He has vast exposure in strategic overall management of CAG's audit of Local Bodies, State Governments, Central Government, Public Sector Enterprises, etc. Earlier he was Chairperson (ex-officio), Government Accounting Standards Advisory Board (GASAB), Principal Accountant General in Gujarat, CAG's Team Leader of Audits of International Organizations, and has held many other positions of prominence. He was also Joint Secretary & Financial Advisor in Ministries of Government of India. He has a number of published articles in eminent journals such as Economic & Political Weekly, Business Standard and Business Line to his credit as well.

Shri Pant does not hold directorship in other companies. He also does not hold any share in the Company. Shri Pant has furnished a declaration to the Board that he meets the criteria of independence as provided in Section 149(6) of the Act. In the opinion of the Board, Shri Pant fulfils the conditions specified in the Act and rules made there under for his appointment as part time non-official / independent Director and recommends his appointment on the Board. Shri Pant shall be paid such sitting fees and reimbursement of actual travel expenses incurred for attending meetings of the Board and its Sub-Committee as the Board may approve from time to time. None of the Directors, Manager and other KMP of the Company is related to Shri Pant. Shri Pant attended one out of three Board meetings held during 2015-16 after his appointment. Except Shri Pant, none of the Directors or KMP of the Company or their relatives is in any way, concerned or interested, financially or otherwise in the resolution set out at Item No 10.

### Item No.11

**Shri Santosh Sharma** has taken over as Director (Operations) of the Company effect from 1.3.2016 in terms of MoM Order No. 10/1/2015-Met.III (Vol. I) dated 24.2.2016 in the scale of pay of ₹75,000 - 1,00,000/- and other terms and conditions of appointment as may be determined by the Government from time to time, for a period of five years from the date of his assumption of charge of the post on 1.3.2016, or till the date of his superannuation or until further orders, whichever is the earliest. It is now proposed to regularize his appointment at the ensuing 49th AGM of the Company in order to comply with the relevant provisions of the Act.

Born on 1.1.1960, Shri Sharma is BE (Elect.)(1982 batch), L.L.B and MBA in Marketing. He is a member of Indian Institute of Metals and Indian Institute of Welding. He joined the Company as General Manager (Operations) on 26.04.2013 and thereafter, he became Executive Director (Operations) and also assumed charge as Unit Head of Gujarat Copper Project, a unit of the Company in June, 2015. Before joining the Company, Shri Sharma was DGM (Projects) in Bhilai Steel Plant. There he was conferred with Jawahar Award for outstanding performance for preparation of plan for installation of Solar Power Units. He had also spearheaded the execution and monitoring of a mega project of construction of Blast Furnace-8 in Bhilai Steel Plant.

Shri Sharma does not hold directorship in other companies. The Board considers that his continued association would be of immense benefit to the Company and recommends his appointment as Director (Operations) of the Company. None of



## NOTICE TO THE MEMBERS (Contd.)

the Directors, Manager and other KMP of the Company is related to Shri Sharma. Shri Sharma did not attend any Board meeting as no meeting was held after his appointment during 2015-16. Except Shri Sharma, none of the Directors or KMP of the Company or their relatives is in any way, concerned or interested, financially or otherwise in the resolution set out at Item No 11.

### Item No. 12

The Board, on the recommendation of the Audit Committee, approved appointment of M/s. M/s. Chatterjee & Co, as Cost Auditor, to conduct audit of cost records of the Company for the financial year 2016-17 at a remuneration of ₹55,000/- (Rupees Fifty five thousand only) plus service tax as applicable and reimbursement of actual travel and out-of-pocket expenses. In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the members of the Company. Accordingly, the Ordinary Resolution at Item No.12 of the Notice requires approval and ratification by members of the Company.

None of the Directors or KMP of the Company or their relatives is in any way, concerned or interested, financially or otherwise in the resolution set out at Item No 12.

### Item No. 13

As per Section 42 of the Act read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, a company shall not make a Private Placement of its securities unless the proposed offer of securities or invitation to subscribe to securities has been previously approved by the Shareholders of the Company by a Special Resolution for each of the offers or invitations. However, in case of offer or invitation for "non-convertible debentures", it shall be sufficient if the company passes a previous Special Resolution only once in a year for all the offers or invitation for such debentures during the year.

In view of the above, approval of the Shareholders of the Company is being sought to authorize the Board of Directors to make offer(s) or invitation(s), in one or more tranches, to subscribe to the Secured or Unsecured non convertible Debentures / Bonds on private placement basis amounting to the balance of already approved limit of Rs.800 crores by Shareholders under Section 180 (1) (c) of the Act on 23.3.2015, on such terms and conditions, as may be approved by the Board.

The Board of Directors of the Company in its meeting held on 30.5.2016 has approved the proposal and recommends the passing of the proposed Special Resolution.

None of the Directors or KMP of the Company or their relatives is in any way, concerned or interested, financially or otherwise in the resolution set out at Item No 13.

Brief resume of directors who are retiring and eligible for reappointment furnished in terms of Regulations 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

### Shri Kailash Dhar Diwan

Shri Kailash Dhar Diwan assumed charge of the post of Chairman-cum-Managing Director on 1.9.2012 in terms of MoM order No.10(4)/2011-Met.III dated 13.6.2012. Prior to that Shri Diwan was Director (Operations) of the Company with effect from 14.9.2007 in terms of MoM order No.10(3)/2006-Met.III dated 28.6.2007.

Born on 19.8.1957, Shri Diwan is B.E. (Electrical) from National Institute of Technology, Raipur, LLB from Ravishankar University, Raipur, post-graduation in Materials Management from Indian Institute of Material Management, Mumbai and a post graduate diploma in Financial and Accounts Management from Ravishankar University, Raipur. He is also a member in the executive council of Chhattisgarh Swami Vivekanand Technical University. He has 31 years of experience in operations, material management, marketing and finance having previously worked in Bharat Refractories Limited as the Head of Marketing and Services.

Shri Diwan does not hold directorship in other companies. He also does not hold any share in the Company. None of the Directors, Manager and other KMP of the Company is related to Shri Diwan. Shri Diwan attended all seven Board meetings of the Company held during 2015-16.



## NOTICE TO THE MEMBERS (Contd.)

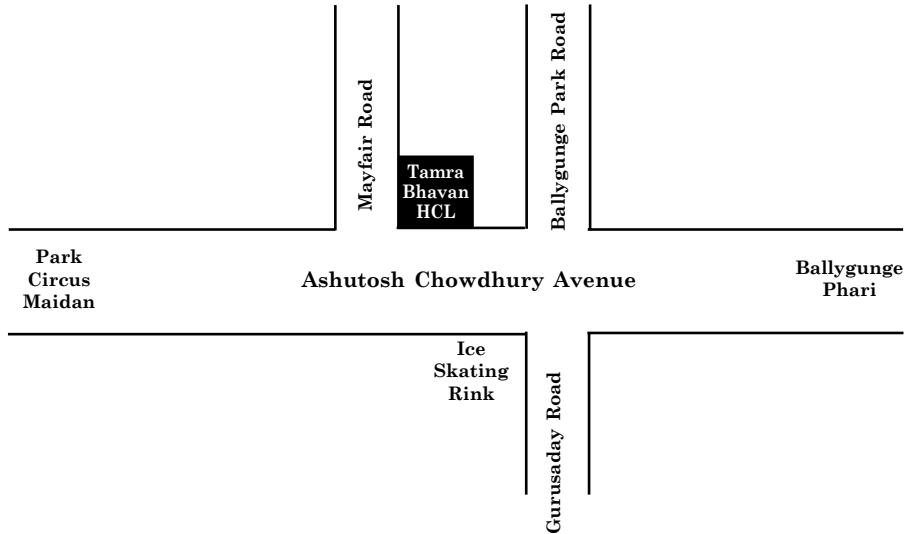
### Shri Anupam Anand

Shri Anupam Anand was appointed as Director (Personnel) of the Company with effect from 5.8.2009 in terms of MoM order No.10 (3)/2008 dated 14.7.2009. The Ministry vide letter No 10(3)/2008- Met.III (Vol.III) dated 3.12.2014 has approved extension of his tenure as Director (Personnel) for a further period of 5 years from 5.8.2014 to 4.8.2019 or until further orders, whichever is earlier.

Born on 9.4.1960, Shri Anand is M.Sc. (Physics) from Banaras Hindu University, M A (Public Administration) from Punjab University, Diploma in Social Work (DSW) from Calcutta University and passed Bihar Factory Welfare Officers' Examination conducted by Department of Labour, Government of Bihar. Before joining HCL, Shri Anand worked for around 24 years in SAIL in different positions and rose as Chief Personnel Manager. Later in 2005, he joined as General Manager (HR) in MTNL. Shri Anand has extensive experience in all facets of Human Resource including HRM, HRD, Administration and Industrial Relations.

Shri Anand does not hold directorship in other companies. He also does not hold any share in the Company. None of the Directors, Manager and other KMP of the Company is related to Shri Anand. Shri Anand attended six out of seven Board meetings of the Company held during 2015-16.

### ROUTE MAP FOR AGM VENUE





## REPORT OF THE BOARD OF DIRECTORS

**The Shareholders**  
**Hindustan Copper Limited**  
**Kolkata**

Your Directors have pleasure in presenting the forty-eighth Annual Report of Hindustan Copper Ltd. (HCL/the Company) together with the audited statement of accounts and Auditors' Report thereon for the year ended 31st March, 2016.

### 1. Performance

#### Financial Summary or highlights

The comparative working results for the FY 2015-16 vis-à-vis FY 2014-15 are as under: (₹ in Crore)

	Particulars	2015-16	2014-15
(a)	Turnover	1068.95	1127.49
(b)	Profit before depreciation, interest & tax	62.82	100.86
(c)	Less : Depreciation	16.00	19.73
(d)	Less : Interest & Finance Charges	1.44	0.68
(e)	Profit before tax	45.38	80.45
(f)	Less : Provision for Taxes (including deferred tax)	1.82	12.85
(g)	Profit after tax	43.56	67.60
(h)	Distributable Profit	43.56	67.60
(i)	Add: Balance brought forward from the previous year	1092.35	1059.26
(j)	Balance available for appropriation	1135.91	1126.86
	i) Dividend	0.00	13.88
	ii) Corporate Dividend Tax	0.00	2.83
	iii) Amount transferred to General Reserve	0.00	0.00
	iv) Depreciation charged from Retained Earning	0.00	17.80
(k)	Balance in P&L account to be carried forward	1135.91	1092.35
(l)	Earnings per Share(Rs)	0.47	0.73

During 2015-16, the Company posted a Profit before tax (PBT) of ₹ 45.38 Crore as against ₹80.45 Crore clocked during the previous year registering a decline of around 43.59%. The turnover of the Company was ₹ 1068.95 Crore during FY 2015-16 as against ₹1127.49 Crore during FY 2014-15 registering a decrease of around 5.19%. The Profit After Tax (PAT) during FY 2015-16 is ₹ 43.56 Crore as against ₹ 67.60 Crore in 2014-15.

#### Physical performance

The comparative physical performance of production and sales in FY 2015-16 vis-à-vis FY 2014-15 are as under:

Particulars	2015-16	2014-15
Ore ('000 Tonnes)	3,908	3,505
Metal in concentrate (MIC) (Tonnes)	31,578	24,878
Cathode (Tonnes)	23,024	21,205
CC Wire Rod (Tonnes)	26,062	19,576
Sales (Tonnes):		
CC Rod	21,125	16,609
Cathode	285	5,032
MIC	2,702	-
Total	24,112	21,641



## DIRECTORS REPORT (Contd.)

Ore production of 39.08 lakh MT in 2015-16 is the highest in last 17 years. Overall MIC production during the year is 27% higher as compared to last year. The total sales has increased by 11% over last year and CCR sales has increased by 27%. Sale of 2756 MT CC Rod 19.6 mm to vendors of Indian Railways this year has successfully established HCL's new product.

While the physical performance has shown good improvement in 2015-16, the same could not be reflected in the financial performance mainly due to steep fall in London Metal Exchange prices of Copper by around 21% as compared to previous year.

### 2. Dividend

Your Directors have not recommended any dividend on equity shares for the year under review.

### 3. Material Changes if any

No material change and commitment affecting the financial position of the Company occurred between the end of the financial year to which the financial statements relate and the date of the report.

### 4. Mine Expansion Schemes

The ongoing mine expansion scheme envisages expansion of Malanjkhanda, Khetri, Kolihan and Surda mines, Banwas as an extension of Khetri Mine; re-opening of Rakha and Kendadih mines and development of new mine namely Chapri-Sideshwar to increase mine production to 12.4 Million tonne per annum (Mtpa) from present 3.4 Mtpa. The mine-wise scheme and status is given below:

#### i. Malanjkhanda Copper Project

It is proposed to expand the production capacity of Malanjkhanda mine from present 2 Mtpa to 5 Mtpa by developing an underground mine below the existing open cast mine at an estimated cost of ₹1856.74 Crore. All the approvals are in place, Environment Clearance (EC) and National Board for Wild Life (NBWL) has been obtained in 2014-15. Contract Agreement was signed with L1 bidder. The Foundation stone laying of the project had been held on 12.4.2015. Sinking of North Ventilation Shaft and South Ventilation Shaft has commenced during the year.

#### ii. Khetri and Banwas mine

The proposed expansion of Khetri & Kolihan mine and development of Banwas deposit will increase ore production from existing 1.0 million tonne to 3.1 million tonne per annum. Mine wise status is given below:

Kolihan Mines: For additional shaft sinking & creation of ore handling facilities below 0 mRL environmental clearance obtained on 02.02.2015. Action for floating tender is under process.

Khetri mine: The Engineering Procurement & Construction (EPC) agency for executing the Khetri mine expansion project had been appointed on 15.07.2011 and the work at site started from 16.9.2011. Independent waste handling system commissioned, deepening of production and service shaft has been initiated.

Banwas Mine: Development of Banwas deposit started in May, 2010, and the work is expected to be completed by 2016.

#### iii. Surda mine expansion

The plan envisages increase in the depth of the mine and enhancement of production capacity from 0.4 million tonne per annum to 0.9 million tonne per annum. Terms of Reference received from Ministry of Environment & Forests (MoEF). Public hearing for Environment Clearance was held on 15.12.2015. Final EIA report prepared and being uploaded to MoEF website.

#### iv. Re-opening of closed mines at ICC

Company initiated action to re-open closed mines at Singbhum Copper Belt of ICC namely, Kendadih and Rakha mines to produce 0.21 million tonne and 1.5 million tonnes of ore per annum respectively. Mine wise status is given below:

Kendadih mine: The contract for reopening and allied mine development has been awarded to the successful bidder on 04.02.2012. Environmental clearance from MoEF obtained on 20.01.2015, stage-I forest clearance obtained, stage-II forest clearance is awaited.

Rakha mine: Considering the change in market scenario, the Company will implement the project through a mine-developer-and-operator (MDO) route. Environmental clearance of Rakha mining lease obtained on 01.08.2014, stage -I forest clearance obtained, stage -II forest clearance is awaited.



## DIRECTORS REPORT (Contd.)

### v. Chapri Sideshwar

Considering the change in market scenario, the Company will implement the project through a mine-developer-and-operator (MDO) route. Environmental clearance has been obtained on 01.08.2014, stage -I forest clearance obtained, stage -II forest clearance is awaited. Chapri-Sideshwar mine fall within the Rakha and Kedadih mining lease.

### 5. Significant or material orders passed by the Regulators or Courts or Tribunals:

No significant or material orders have been passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

### 6. Management Discussion and Analysis

A report on Management discussion and analysis of the performance of the Company is given at Annexure-I.

### 7. Awards and Accolades

- i. The Quality Circle team 'Dinkar' and 'Sahyog' from Indian Copper Complex and 'Pragatisheel' and 'Sudhar' won in Gold Category during the Chapter Convention on Quality Concepts (CCQC), 2015 on 22.9.2014 at Kolkata.
- ii. The Quality Circle team 'Dinkar' and 'Sahyog' from Indian Copper Complex won in "Excellent and 'Sudhar' and 'Pragatisheel' won in 'Excellent' and 'Distinction' Category during the National Convention on Quality Concepts (NCQC), 2015 during 6.2.2016 to 8.2.2016 at Kolkata.
- iii. HCL received the "Griha Patrika Protsahan Puraskar" for the year 2014-15 from Nagar Rajbhasha Karyanwayan Samity (Upkram), Kolkata, for the Hindi version of House Journal Tamralipi, in a prize distribution ceremony on 29.8.2015.
- iv. HCL received the "Protsahan Puraskar" for the year 2014-15 from Nagar Rajbhasha Karyanwayan Samity (Upkram), Kolkata, for achieving excellence in implementation of the Official Language in day-to-day office work.
- v. Mines Rescue Team of Khetri Copper Complex won 1st Prize in First Aid Theory and Practical Competition, 2nd Prize in Rescue Practical Competition and 2nd Prize in Rescue Theory Competition in the 46th All India Mines Rescue Competition held at Manendragarh Rescue Station, South Eastern Coalfields Ltd, Manendragarh (Chhattisgarh) from 5.12.2015 to 8.12.2015.
- vi. Three members of the team namely, S/Shri Naresh Kumar Katariya (Captain), Sanket Kumar Toshniwal (FAB Controller) and A T Alam (Member), also participated in the Promotional Competition of Rescue based on international norms and won the third prize out of six participating teams.
- vii. HCL was awarded the National PR Day Award of Excellence for External & Internal Communication by the Public Relations Society of India, PRSI, Kolkata Chapter on 21.4. 2015, the National PR Day.
- viii. Tamralipi, the house journal of HCL, won the In-house Communication Excellence (ICE) Award 2015 conferred by the Shailaja Nair Foundation in the category of Best Cover Page as the First Runner-Up on 6.6.2015.
- ix. Tamralipi, the house magazine of the Company was awarded the Bronze Award at the 9th Global Communication Conclave of the Public Relation Council of India, PRCI, held at New Delhi on 13.3.2015 and 14.3 2015.

### 8. Particulars of Loan, Guarantees or Investments u/s 186 of the Companies Act, 2013

During the year from 01/04/2015 to 31/03/2016: NIL

### 9. Deposits

The Company has not taken any Deposits covered under or which are not in compliance with the requirements of Chapter V of the Companies Act, 2013.

### 10. Related Party Transactions (RPTs):

The Company has not entered into any contracts or arrangements with related parties referred to in section 188(1) of the Companies Act, 2013. Policy on RPTs and dealing with RPTs has been formulated and put up at the Company's website at [www.hindustancopper.com](http://www.hindustancopper.com).

### 11. Establishment of Vigil mechanism:

The Company has in place a Whistle Blower Policy which provide adequate safeguards against victimization of employees



## DIRECTORS REPORT (Contd.)

/ directors who avail of the mechanism and also provide for direct access to the chairman of the Audit Committee in exceptional cases. The Policy has been posted at the Company's website at [www.hindustancopper.com](http://www.hindustancopper.com).

### 12. Risk Management Policy

The Board of Directors of the Company has developed and implemented a risk management policy for the Company including identification therein of elements of risk, which in the opinion of the Board, may threaten the existence of the Company.

### 13. Internal Financial Controls

The Company has in place adequate internal financial control with reference to financial statements commensurate with its size and operations to be followed by the Company, detailing the policies and procedures to be followed.

### 14. Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

Information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, is given as Annexure-II forming part of this report.

### 15. Safety

Safety remains high priority area and the Company is always aiming to achieve "Zero Accident". The Company continues to maintain the tradition of attracting recognition for its safety performance and, like previous years, received a number of awards in mine safety as indicated below:

Malanjkhand open cast mine had won the following safety performance award on 13.12.2015 in large opencast mine category under the aegis of DGMS (Nagpur region I&II):

2nd Prize on Use of explosives

3rd Prize on Mine Lighting, HEMM and overall best performance

Five individual first prizes won in 28th Mines safety week competition and the prizes are received at Kotputli, Rajasthan.

Khetri Copper Mine and Kolihaan Copper Mine have received award/Prizes in all India Rescue Competition 2015 in the following categories:

1st Prize in First Aid theory and Practical competition

2nd Prize in Rescue Practical competition

2nd Prize in Rescue Theory competition

Besides the above, special training, regular refresher training programmes and on-the-job training are provided to all employees. Safety Campaigns like "Annual Mines Safety Week", "Fire Services Day", "Fire services week" and "Industrial Safety Day" celebrations are conducted regularly with active participation of employees in all the Units of HCL.

### 16. Corporate Social Responsibility (CSR)

The CSR Report in the prescribed format as per the Companies (Corporate Social Responsibility Policy) Rules, 2014 is given in Annexure-III.

### 17. Vigilance Activities

The Vigilance Department of HCL has been taking proactive preventive vigilance measures, along with expeditious finalization of pending disciplinary cases. Systems improvement measures are being regularly brought to the notice of Management, which has implemented most of the suggestions.

Efforts are also continuing to create more and more awareness about vigilance amongst the officers and employees of the organizations. Besides organizing training, a booklet was also released during the Vigilance Awareness Week- 2015, containing inter-alia, various Do's & Don't's and also 'Some Common Irregularities to be taken note of'.

### 18. Official Language Implementation

During 2015-16, HCL made constant endeavour to increase use of Hindi in its Units/Offices. *Raj Bhasha Pakhwara* and *Hindi Diwas* were celebrated in the Units/Offices from 14.9.2015 to 28.9.2015. The messages of Hon'ble Home Minister, Government of India and CMD, HCL were read out in all Units/Offices on this occasion. Various competitions were



## **DIRECTORS REPORT (Contd.)**

organized to enhance interest among employees towards Official Language. Prizes were distributed to the winners. Employees are constantly motivated to use Hindi in their day-to-day official work. Hindi Workshops were conducted in the Units/Offices at regular intervals. During 2015-16, the Company participated in the half-yearly meeting of Town Official Language Committee (PSUs), Kolkata held on 29.8.2015. The Company's in-house journal "Tamralipi" is published in Hindi and English and distributed among employees regularly and also mailed to the members of the Hindi Advisory Committee. Effort is continuously made to ensure that the Company's advertisements for recruitment/ tenders, etc., are also published bilingually. The progressive use of Hindi is being reviewed regularly at the Board meetings.

### **19. Business Responsibility Report:**

Pursuant to Regulation 34 (2) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 {SEBI (LODR), 2015}, Business Responsibility Report for 2015-16 describing various initiatives taken by the Company on social, environmental and governance perspective, is attached at Annexure-IV which forms part of this report.

### **20. Extract of Annual Return:**

Extract of Annual Return pursuant to Section 92(3) of the Companies Act, 2013 is given in Annexure-V.

### **21. Corporate Governance**

Corporate Governance Report as per SEBI (LODR), 2015 is given at Annexure-VI forming part of this report together with Statutory Auditors' Certificate on Corporate Governance.

### **22. Number of meetings of the Board:**

During 2015-16, seven Board meetings were held on 8.4.2015, 28.5.2015, 11.8.2015, 6.11.2015, 23.12.2015, 14.1.2016 and 3.2.2016.

### **23. Directors' Responsibility Statement**

In terms of Section 134(5) of Companies Act, 2013, your Directors confirm:

- (i) That in the preparation of the annual accounts for the year ended 31st March, 2016 the applicable accounting standards had been followed along with proper explanations relating to material departures.
- (ii) That such accounting policies have been selected and applied consistently and made adjustments and estimates which 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 31st March, 2016 and of the Profit and Loss of the Company for the year.
- (iii) That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (iv) That the Directors have prepared the annual accounts on a going concern basis.
- (v) That the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating effectively.
- (vi) That the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

### **24. Declaration by Independent Directors:**

Independent Directors of the Company have given declaration to the effect that they meet the criteria of independence as provided under Section 149(6) of the Companies Act, 2013.

### **25. Familiarization Programme for Independent directors**

On joining, Independent directors are familiarized through induction programme / presentation with the overview of business, operations, new projects and business model of the Company. Visit to Units is also organized as per their convenience. They are also updated on the changes / developments including in the relevant statutory / regulatory requirements from time-to-time. Detail of Directors' Training / Familiarization Programme has been hosted at the Company's website at [www.hindustancopper.com](http://www.hindustancopper.com).

### **26. Code of Conduct**

The Company has in place a Code of Conduct applicable to the Directors as well as Senior Management and the same has



## DIRECTORS REPORT (Contd.)

been circulated to all concerned and posted at the Company's website [www.hindustancopper.com](http://www.hindustancopper.com). All Board members and senior management personnel have affirmed compliance of the code for the year ended 31st March, 2016.

### 27. Directors

Shri Nikunja Bihari Dhal was appointed as part time official Director from 14.9.2015 in place of Shri Arun Kumar who ceased to be Director from 4.8.2015.

Shri Sanjay Kumar Bhattacharya joined as Director (Mining) of the Company from 15.9.2015.

Shri Hemant Mehtani and Smt Simantini Jena appointed as part time non-official (Independent) Director of the Company from 17.11.2015. Shri Dileep Raj Singh Chaudhary and Shri Niranjana Pant appointed as part time non-official (Independent) Director of the Company from 1.12.2015.

Shri S Nanda ceased to be Director (Operations) from 1.2.2016 on superannuation. Shri Santosh Sharma joined as Director (Operations) from 1.3.2016.

Smt. Bulbul Sen ceased to be Independent Director from 18.3.2016 on completion of tenure.

The Board places on record its appreciation for the valuable services rendered and contribution made by Shri Arun Kumar, Shri S Nanda and Smt Bulbul Sen during their tenure on the Board.

### 28. Secretarial Audit Report

M/s N K Associates, Practicing Company Secretaries, has been appointed as Secretarial Auditor for FY 2015-16. Report given by the Secretarial Auditor is given at Annexure -VII to this report. With regard to the observations of the Secretarial Auditor about composition of the Board of Directors of the Company, it is stated that during 2015-16, four part time non-official (Independent) Directors were appointed by the Ministry of Mines (MoM), Govt. of India, (vide order dated 17.11.2015 and 1.12.2015). However, consequent upon completion of tenure of Smt. Bulbul Sen on 18.3.2016 one post of Independent Director has fallen vacant. HCL, being a Government Company and in terms of its Articles of Association, appointment of all Directors on its Board are made by the President of India through orders issued by the MoM. The Company has requested MoM to fill up the vacant post of one Independent Director.

### 29. Auditors

M/s. A Kayes & Co, Kolkata was appointed as statutory auditors to audit the accounts of the Company for the year 2015-16.

M/s Chatterjee & Co, Kolkata was appointed as Cost Auditor of the Company for carrying out the cost audit of Copper Ore, Concentrate, Processed Copper and articles thereof and Sulphuric Acid for the year 2015-16.

### 30. Comments of C&AG

The comments of C&AG under the Companies Act on the accounts of the Company for the year ended 31st March, 2016 are annexed to this report.

### 31. Appreciation

In conclusion, your Directors wish to place on record their appreciation of the hard work put in by all employees of the Company during the year under review. The Board gratefully acknowledges the valuable guidance and co-operation received from the Ministry of Mines and other Ministries/Departments of the Government of India and the support received from the State Governments of Rajasthan, Jharkhand, Madhya Pradesh, Maharashtra, Gujarat and West Bengal and the Company's bankers, customers and office bearers of the recognized trade unions of different Units / Head Office. The Board also thanks all shareholders and investors for the trust reposed by them in the Company.

For and on behalf of the Board of Directors

K D Diwan  
Chairman-cum-Managing Director

Place: Kolkata  
Date: 30.5.2016



## ANNEXURE-I TO THE DIRECTORS' REPORT

### MANGEMENT DISCUSSION AND ANALYSIS REPORT

#### I. Industry Structure and Development

##### Global Business Scenario

As per International Copper Study Group (ICSG), the world mine production (copper content) in the year 2015 grew by 3.5% to 19.141 million tonnes (Mt) compared to 2014. Copper concentrate production increased by 4% while solvent extraction- electro-winning (SX-EW) remained stagnant. The increase in world mine production was mainly due to recovery of production levels at operating mines in Indonesia (53 % growth in Indonesian mine production because 2014 output was constrained by a seven month ban on concentrate exports) and 23 % increase in Peruvian output. Production remained unchanged in Chile, the world's biggest copper mine producer. On a regional basis, production rose by 4.5 % in South America, 2.5 % in North America, 8 % in Asia and 1.5 % in Europe, while it declined by 1.5 % and 3.5 % in Africa and Oceania respectively.

World refined copper production increased by around 1.6% to 22.82 Mt in 2015. The main contributor of growth in production was China (up by 4%). Output in Chile and Japan declined by 1.5% and 4.5% respectively, due to smelter's maintenance shutdown and operational failure. Production increased by 4% in USA. On regional basis, approximate increase in refined copper production has been in Africa (1%), Asia (3%) and North America (4%), while it declined in South America (-1%), Europe (-1%) and Oceania (-4%). The average world refinery capacity utilization rate remained practically unchanged at around 83.5% in 2015 as compared to 2014. In 2015, world apparent usage is estimated to have remained essentially unchanged compared with that in 2014. Excluding China, world usage declined by around 3%. Although Chinese apparent demand increased by around 3%, usage declined by about 2% and 7% in the EU and Japan, respectively, and by 47% in Russia (following the withdrawal of Russia's cathode export tax in September, 2014). On a regional basis, usage is estimated to have increased by around 2% and 4% in Asia and Africa, respectively while declining by around 1.5% in America, 8% in Europe and 55% in Oceania.

##### Indian Copper Scenario

Currently, three major players dominate the Indian Copper Industry. Hindustan Copper Limited (HCL) in Public Sector, M/s Hindalco and M/s Sterlite Industries in Private Sector. HCL is the only vertically integrated copper producer in the country, while M/s Hindalco at Dahej in Gujarat and M/s Sterlite Industries in Tuticorin in Tamil Nadu have setup port based smelting and refining plants which depend on imported mineral in the form of concentrate either from their own mines abroad or other overseas sources. In addition there are a few installations to produce Electro-won Copper but their capacities are still very low, and production is inconsistent.

In 2015-16, the copper ore production in India at 3.9 million tonnes was 11% higher compared to 2014-15. Metal in concentrate production of 31,579 tonnes was higher by 27% over 2014-15. Refined copper production during FY 2015-16 was approx 7.9 lakh tonnes, as compared to 7.6 lakh tonnes in FY 2014-15. In 2015-16, the estimated consumption of refined copper was around 6.5 lakh tones compare to 5.80 lakh tones in 2014-15.

Presently, there is a high level of deficit in the mining capacity and surplus in the refining capacity. Domestic production of concentrate accounts for only 4% of the total requirement. Consequently, India imported around 24,91,525 tonnes of copper concentrate (about 6,78,891 tonnes of metal) in 2015. However, India is self sufficient in refined copper production and has emerged as net exporter of refined copper.

#### II. SWOT Analysis

##### Strength

- Only Company having ownership of all copper mines in India
- Fully developed infrastructure facilities
- Fully integrated operations from mining of copper ore to pure metal
- Skilled and experienced work force
- Established brand value

##### Weakness

- High cost of logistics due to multi- location units
- Relatively smaller sized plants



## ANNEXURE-I TO THE DIRECTORS' REPORT (Contd.)

- Aged equipment /old technology
- Limited value added products

### Opportunity

- Scope for expansion of mine capacity
- Opportunity to explore new deposits
- Ready market for copper concentrate in India due to large smelting/refining capacity

### Threat

- High volatility of LME price of copper
- Rising cost of inputs
- Continuous attrition of skilled manpower

### III. Segment-wise or product-wise performance

Covered in the main report.

### IV. Outlook:

Copper demand is expected to grow at around 9 to 10% in tandem with economic growth in India. This is primarily due to investment and thrust on infrastructure projects, growing power generation capacity and ongoing urbanisation.

### V. Risks and concerns

The Company has laid down risk management framework keeping the Company's objectives, growth strategy and process complexities arising out of its business operations. Risk management in HCL is a continuous process of identifying, assessing and managing all the opportunities, threats and risks faced by the company to achieve its goals.

### VI. Internal control systems and their adequacy

The Company has internal control systems and procedures commensurate with its size and nature of business. The Company has in place delegation of authority, policies and manuals approved by the Board.

### VII. Discussion on financial performance with respect to operational performance

The financial performance for FY 2015-16 vis-à-vis FY 2014-15 is summarized below:

(₹ in Crore)

Particulars	2015-16	2014-15
Sales	1068.95	1127.49
Value of Production	1210.21	1219.47
Cost of production excluding depreciation, amortization and Finance Cost & Prior Period Adjustment (Net)	1045.23	1024.14
Profit before depreciation, amortization and Finance Cost & Prior Period Adjustment (Net)	164.98	195.33
Depreciation, Amortisation	120.33	112.85
Finance Cost	1.44	0.68
Prior Period Adjustments (Net)	(2.17)	1.35
Profit/ (Loss) Before Tax	45.38	80.45
Provision for taxation-Current	21.64	31.63
-Deferred	(19.82)	(18.78)
Profit/ (Loss) After Tax	43.56	67.60

### Capital Expenditure

During the year, the expenditure on account of Replacements & Renewals (R&R) of plant & machinery, mine expansion and mine development stood at Rs.398.56 crore which was partly funded through the internal resources of the Company and partly through long term borrowings from bank and no Government support for capital expenditure was asked for.



## ANNEXURE-I TO THE DIRECTORS' REPORT (Contd.)

### Loans

During the year, the Company has obtained a foreign currency term loan of USD31,268,321.28 equivalent to Rs.200 crores from EXIM Bank.

### Contribution to Exchequer

During 2015-16, the Company contributed a sum of Rs.212.03 crore to the exchequer by way of duties, taxes and royalties, as against Rs 284.68 crore in 2014-15, as detailed below:

(₹ in Crore)		
Particulars	2015-16	2014-15
Excise Duty	56.34	73.41
Customs Duty	0.75	0.16
Sales Tax	36.70	44.66
Royalty and Cess	53.81	54.15
Income Tax	45.70	92.68
Others	18.73	19.62
Total	212.03	284.68

## VIII. Material developments in Human Resources / Industrial Relations front including number of people employed

### Manpower

The manpower of the Company as on 31.3.2016 is 3252 as detailed below:

Group	Total	SC	ST	Ex-Service	PH	Land Displaced Person	Minorities	OBC
A	561	76	20	2	2	3	23	61
B	71	11	5	-	-	1	6	18
C	1968	303	347	25	16	195	141	253
D	652	158	78	1	12	103	22	20
Total	3252	548	450	28	30	302	192	352

### Industrial Relations & Employees Participation in Management

Industrial Relations situation in all the Units of the Company continued to be harmonious and peaceful. The successful operation of various Bi-partite fora at the Apex, Unit and Shop-floor levels have contributed immensely towards smooth functioning of the Company.

### Reservation for appointment of SC/ST/OBC candidates

The Company adheres to the prescribed Government guidelines on reservation for SC/ST/OBC categories in all recruitment activities. The representation of SC, ST and OBC employees out of the total manpower of 3252 as on 31.3.2016 is 16.8%, 13.8% and 10.8 % respectively.

### Human Resource Development

Based on identified needs, Training and Development at all levels of employees is given due priority by the Company to increase employee effectiveness and productivity. The Company selectively nominated employees for specialized training Programmes / Workshops / Seminars / Conferences organized by reputed professional organizations and Institutes. In FY 2015-16, against a training target of 7350 mandays, 8948 mandays of training was achieved.



## ANNEXURE-I TO THE DIRECTORS' REPORT (Contd.)

### Employment of Women

The Group-wise strength of female employees as on 31.03.2016 vis-à-vis the total employee strength of the Company is given below.

Group	Total Strength	No. of female employees	% of female employees to total strength
A	561	40	7.13
B	71	2	2.81
C	1968	65	3.30
D	652	103	15.79
Total	3252	210	6.45

### Communal Harmony and National Integration

In the townships of the Company located at Khetri, Malanjkhanda and Ghatsila as well as in other places of work, the employees of different caste, creed, region and religion live together in harmony and celebrate all religious festivals with pomp and gaiety.

### Status of implementation of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

In pursuance of the judgment of the Supreme Court and the enactment of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 & Rules made therein, HCL has set up at its all Units/Offices, a Committee for Prevention of Sexual Harassment of Women at work place. A provision in this regard has also been incorporated in the Conduct, Discipline and Appeal Rules of HCL. During the year no incidence of discrimination amongst employees on the basis of gender came to light.

### Status of implementation of The Persons with Disability Act, 1995

The number of physically challenged persons employed in the Company as on 31.3.2016 is as under.

Group	Number of Persons with Disabilities (PwDs)
A	2
B	-
C	16
D	12
Total	30

**Recruitment:** In recruitment matters the reservation policy was adhered to as per Government of India directives and duly incorporated in advertisements published, wherever applicable.

**Scholarship:** HCL grants scholarship to employee's children under a special scheme. Particular care and wide publicity is given to the scheme. 10 scholarships are given for differently abled children of the employees.

**Ramp:** Ramps have been constructed at Hospital, Works and General Office for Person with Disability (PWD) so as to enable easier access to elevated areas in buildings and for their mobility with ease. Provision of wheelchairs in Hospital/main administrative offices in Units / Projects is also made.

**Conveyance Allowance:** Conveyance Allowance / Transport Subsidy to PWD employees is paid at higher rates than other employee as per Government Directives.



## ANNEXURE-II TO THE DIRECTORS' REPORT

### STATEMENT OF PARTICULARS IN TERMS OF RULE 8 (3) OF THE COMPANIES (ACCOUNTS) RULES, 2014

#### (A) Conservation of energy-

- (i) The steps taken or impact on conservation of energy:
  - Power factor improved and maintained near to unity.
  - High wattage conventional lights were replaced by low power consuming LED lights
  - Old filters were replaced with energy efficient modern ceramic filters
  - VFDs were installed in casting wheels, crane & conveyor belt at ICC Smelter.
  - Low pressure burner in place of high pressure burner was installed in Flash furnace.
  - Use of mine water in beneficiation circuit reduced running hours of river pump.
  - Reciprocating compressor of drill machine was replaced with highly efficient screw compressor.
  - Old inefficient motors replaced with premium class IE-3 energy efficient motors at ICC.
  - 132KW Rotoclone motor of concentrator plant was replaced by 110 KW motor.
- (ii) The steps taken by the company for utilizing alternate sources of energy:
  - Electrical water heaters were replaced by solar water heaters
  - Solar street light has been installed in remote areas.
- (iii) The capital investment on energy conservation equipments: ₹84.32 lakhs

#### (B) Technology absorption-

- (i) The efforts made towards technology absorption:
  - Recovery of valuable metals from Copper ore tailing -pilot plant at KCC has been installed to assess the project viability.
  - Pilot scale study has been completed to extract copper from concentrate by hydrometallurgical technology route.
  - Plant & machineries based on imported technology for recovery of nickel from spent electrolyte of ICC Refinery have arrived. The commissioning of the plant is expected in 2016-17.
- (ii) The benefits derived like product improvement, cost reduction, product development or import substitution:  
Efforts made towards technology absorption will result into development of new products
- (iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-
  - (a) The details of technology imported-
    - The EMEW technology imported from Canada. The technology will help HCL to recover LME-A grade cathode from lower concentration of copper in spent electrolyte which is otherwise not possible by conventional means. Besides this, the technology will also help HCL to recover nickel from the spent electrolyte at ICC refinery.
    - Another technology of Acid purification Unit (APU) was imported from Canada. The technology will allow HCL to separate and recycle back the major part of the acid from the spent electrolyte at ICC Refinery. This eco-friendly technology will allow reduction of liquid effluent and help HCL to recover nickel in the downstream process.
  - (b) The year of import- 2016
  - (c) Whether the technology been fully absorbed- Commissioning will start in 2016-17
  - (d) If not fully absorbed, areas where absorption has not taken place and the reasons thereof- NA
- (iv) The expenditure incurred on Research and Development - ₹5.46 crore which are booked under natural heads of accounts

#### (C) Foreign exchange earnings and Outgo-

##### Earnings in foreign exchange

During 2015-16, the Company earned foreign exchanges of ₹136.40 crore through export of slime, copper reverts and copper concentrate as against ₹20.41 crore earned through export of anode slime and copper reverts during FY 2014-15.

##### Expenditure in foreign currency

During 2015-16, the Company spent foreign currency to the tune of ₹13.13 crore towards stores & spares, capital goods, other imports, traveling, and others etc. as compared to ₹6.75 crore in 2014-15.



## ANNEXURE-III TO THE DIRECTORS' REPORT

### ANNUAL REPORT ON CSR ACTIVITIES

#### **1. A brief outline of the Company's CSR policy, including overview of the projects or programs undertaken and a reference to the web-link to the CSR policy and projects or programs:**

##### Policy Statement

For Hindustan Copper Limited (HCL), the Corporate Social Responsibility(CSR) is a planned set of activities taking into consideration the Company's capabilities, expectations of the communities living in and around the areas of its operation as well as where it has its presence, targeted to have a significant positive impact in the long term. The aim is to play a catalytic role in the sustainable socio-economic development in the regions where the industry is located or where its interests lie, attempting to create an enabling working environment for HCL as well as income generation opportunities for the community keeping sight of sustained regional development.

##### Organization setup

The CSR projects in HCL are implemented under the guidance of the Board's Sub-Committee on CSR which presently comprises five directors out of which four are Independent directors. The terms of reference of the Committee is given below:

- (i) Formulate and recommend CSR policy to the Board for approval.
- (ii) Recommend for approval of the Board the amount of expenditure to be incurred on the activities in a financial year along with projects to be undertaken earmarking funds for broad area-wise projects.
- (iii) Monitor from time to time the implementation of the CSR projects undertaken by the Company.

A Nodal Officer for CSR at Corporate level preferably one rank below the Board level (presently DGM (HR)) coordinates Company's CSR initiatives and is assisted by a team of designated officers. A Nodal Officer at each of the three Units coordinates CSR initiatives at unit level.

##### Scope of activities

The CSR activities of HCL are as per the provisions of Schedule VII of the Companies Act, 2013.

##### Geographical Span

The CSR activities are taken up primarily in and around areas of HCL Units, within a radius of 15-20 Km. At least 75% of the amount earmarked for CSR activities shall be spent in these areas.

Of the remaining 25% of the CSR allocation after (a) above, around 15-20% may be utilized in areas beyond 15-20 Km. of the Unit but within the State in which the Units are located. Up to a maximum of 5% of the amount earmarked for CSR activities may be utilized anywhere in India to be decided by the CMD.

##### Planning

The identification of CSR activities at Unit / Corporate level are done by any one or combination of the following methods.

- (i) In-house planned projects
- (ii) Proposals from District Administration / Local Govt. body/public representatives etc.
- (iii) Proposals/Requests from a registered & specialized body for providing financial assistance for carrying out specific CSR initiative subject to the condition that it fulfils the criteria as prescribed in the statute in this regard.

##### Implementation methodology

The CSR activities / projects are implemented using internal resources or through collaborating with NGOs / specialized agencies / trusts / institutions / foundations / societies / Government bodies etc. in accordance with the provision of Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014.

##### Web Link to CSR policy and projects or programs

Annual Report on CSR Activities is also available at the website of Company at [www.hindustancopper.com](http://www.hindustancopper.com)

#### **2. Composition of the CSR Committee:**

- i) Shri Dileep Raj Singh Chaudhary, Independent Director, Chairman
- ii) Dr. U D Choubey, Independent Director, Member



## ANNEXURE-III TO THE DIRECTORS' REPORT (Contd.)

- iii) Smt. Simantini Jena, Independent Director, Member
- iv) Shri Ashok Kumar Singh, Independent Director, Member
- v) Shri Anupam Anand, Director (Personnel), Member
- vi) Shri C S Singhi, GM & Co Secretary, Secretary

### 3. Average net profit of the Company for last three financial years:

₹ 30490.50 Lakhs

### 4. Prescribed CSR expenditure (i.e. two percent of the amount as in 3 above):

₹ 609.81 Lakhs

### 5. Details of CSR spent during FY 2015-16:

- (a) Total amount to be spent for FY 2015-16 :- ₹ 998.48 Lakhs\*

\*(The allocated amount of ₹ 998.48 Lakhs includes Unspent CSR amount of previous years)

- (b) Amount unspent, if any :- ₹ 230.56 Lakhs
- (c) Manner in which the amount spent during the FY 2015-16 is detailed below.

(1) S. No.	(2) CSR project or activity identified	(3) Sector in which the Project is covered	(4) Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	(5) Amount outlay (budget) project or programs-wise (in lakh)	(6) Amount spent on Projects or programs Sub-heads (1) Direct expenditure on projects or programs. (2) Overheads (in lakh)	(7) Cumulative expenditure up to the reporting period (in lakh)	(8) Amount spent: Direct or through implementing agency
1	Drinking Water, Health and Sanitation	Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water	Dist- East Singhbhum, Jharkhand	127.27	124.56	124.56	Direct / Citizens Foundation, Ranchi
			Dist-Balaghat, M a d h y a Pradesh	192.08	147.46	147.46	Direct / PHE / SSA-RMSA / IIWM
			Dist- Jhunjhunu, Rajasthan	58.84	57.85	57.85	Direct / M/s GVT / Raj Govt. School
2	Education, Vocational Skills and Livelihood	Promoting education including special education and employment enhancing skills especially among children, women and elderly and the differently abled and livelihood enhancement projects	Dist- East Singhbhum, Ranchi, Jharkhand	126.21	87.87	87.87	Direct / Citizens Foundation, Ranchi / NSDC
			Dist-Balaghat, M a d h y a Pradesh	38.93	28.91	28.91	Direct / NSDC
			Dist- Jhunjhunu, Rajasthan	64.87	45.18	45.18	Direct / M/s GVT/NSDC
			Dist-Raigarh, Maharashtra	4.81	0.93	0.93	NSDC
			Dist-Kolkata, West Bengal	5.00	-	-	



## ANNEXURE-III TO THE DIRECTORS' REPORT (Contd.)

3	Environmental and Animal Welfare	Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air and water.	Dist- East Singhbhum, Jharkhand	7.04	4.73	4.73	Citizens Foundation, Ranchi
			Dist-Balaghat, M a d h y a Pradesh	72.02	51.96	51.96	MPVVN Ltd
			Dist- Jhunjhunu, Rajasthan	17.24	11.44	11.44	Direct / M/s GVT
4	Sports	Training to promote rural sports, nationally recognised sports, Paralympics sports and Olympic sports	Dist- East Singhbhum, Jharkhand	11.81	9.56	9.56	Direct / Citizens Foundation, Ranchi
			Dist-Balaghat, M a d h y a Pradesh	1.00	1.00	1.00	Direct
			Dist- Jhunjhunu, Rajasthan	1.51	1.51	1.51	M/s GVT
5	Rural Development	Rural Development Projects	Dist- East Singhbhum, Jharkhand	55.33	53.90	53.90	Direct / Citizens Foundation, Ranchi
			Dist-Balaghat, M a d h y a Pradesh	34.30	38.24	38.24	Direct
			Dist- Jhunjhunu, Rajasthan	116.25	90.37	90.37	Direct / M/s GVT
6	Protection of National Heritage	Protection of national heritage, art and culture including restoration of buildings and sites of historical importance.	Dist- East Singhbhum, Jharkhand	1.50	1.50	1.50	Direct
7	Miscellaneous	Miscellaneous activities	Dist- East Singhbhum, Jharkhand, Dist- Jhunjhunu, Rajasthan, Kolkata West Bengal	62.47	10.95	10.95	Direct
Total				998.48	767.92	767.92	

### 6. Reasons for not spending the 2% of average net profit of last three financial years:

Not Applicable

### 7. Responsibility statement of the CSR Committee:

The implementation and monitoring of HCL's CSR Policy is in compliance with CSR objectives and Policy of the Company.

(Anupam Anand)  
Director (Personnel)

(Dileep Raj Singh Chaudhary)  
Chairman, CSR Committee

Place: Kolkata  
Date: 30.5.2016



## ANNEXURE-IV TO THE DIRECTORS' REPORT

### BUSINESS RESPONSIBILITY REPORT

#### Section A: General Information about the Company

1. Corporate Identity Number (CIN) of the Company: L27201WB1967GOI028825
2. Name of the Company: Hindustan Copper Limited
3. Registered Address:  
"Tamra Bhavan"  
1 Ashutosh Chowdhury Avenue  
Kolkata 700019  
Tel. No.: 033-2283 2226/2529  
Fax no.: 033-2283 2478/2640
4. Website: www.hindustancopper.com
5. E-mail: investors\_cs@hindustancopper.com
6. Financial Year Period: 2015-2016
7. Sector(s) that company is engaged in (industrial activity code-wise):

Industrial Group	Description
07291	Mining of copper ore
24201	Manufacture of Copper from ore, and other copper products and alloys
24320	Casting of non-ferrous metals

*As per National Industrial Classification - Ministry of Statistics and Programme Implementation*

8. List three key products/services that the Company manufactures/ provides (as in balance sheet):  
Hindustan Copper Limited (HCL) is the only vertically integrated copper mining company in India having its own captive mines. Following are the key products manufactured by the Company:
  - Copper Cathode
  - Continuous Cast Copper Wire Rod
  - Metal in Concentrate
9. Total number of locations where business activity is undertaken by the Company:
  - a) Number of International locations : None
  - b) Number of National locations : 16

Offices
Corporate and Eastern Regional Sales Office, Kolkata
Western Regional Sales Office, Mumbai
Southern Regional Sales Office, Bangalore
Northern Regional Sales Office, Delhi

Plants
Khetri Copper Complex (KCC), Khetrinagar, Rajasthan
Indian Copper Complex (ICC), Ghatsila, Jharkhand
Malanjkhand Copper Project (MCP), Malanjkhand, Madhya Pradesh
Taloja Copper Project (TCP), Taloja, Maharashtra
Gujarat Copper Project, Gujarat

Godowns
Jaipur, Rajasthan
Sahibabad, Uttar Pradesh
Faridabad, Haryana
Bangalore, Karnataka
Kolkata, West Bengal
Hyderabad, Andhra Pradesh
Hosur, Tamilnadu



## ANNEXURE-IV TO THE DIRECTORS' REPORT (Contd.)

10. Markets served by the Company (Local / State / National / International): National/ International

### Section B: Financial Details of the Company

1. Paid up Capital: ₹462.61 crore
2. Total Turnover: ₹1068.95 crore
3. Total Profit after Taxes: ₹43.56 crore
4. Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%): 17.63%
5. List of activities in which expenditure in 4 above has been incurred:
  - a. Drinking water, Health and Sanitation
  - b. Education and vocational livelihood
  - c. Environment and Animal Welfare
  - d. Promotion of sports in rural areas
  - e. Rural development projects
  - f. Protection of National Heritage

### Section C: Other Details

1. Does the Company have any Subsidiary Company / Companies?  
No
2. Do the Subsidiary Company / Companies participate in the BR Initiatives of the parent Company? If yes, then indicate the number of such subsidiary company(s).  
Not Applicable
3. Do any other entity / entities (e.g. suppliers, distributors etc.) that the Company does business with; participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity / entities? [Less than 30%, 30-60%, More than 60%]  
Yes, currently less than 30%.

### Section D: BR Information

1. Details of Director / Directors responsible for BR:
  - a) Details of the Director / Directors responsible for implementation of the BR policy / policies:

DIN	02752767
Name	Anupam Anand
Designation	Director(Personnel)
Phone	033-2281 6221
Mail Id	anupamanand@hindustancopper.com
DIN	02950920
Name	V V Venugopal Rao
Designation	Director (Finance)
Phone	033-22832741
Mail Id	vvvenugopalrao@hindustancopper.com
DIN	07276836
Name	Sanjay Kumar Bhattacharya
Designation	Director (Mining)
Phone	033-2281-7138
Mail Id	bhattacharya_sk@hindustancopper.com
DIN	07431945
Name	Santosh Sharma
Designation	Director (Operations)
Phone	033-22870325
Mail Id	santoshsharma@hindustancopper.com

b) Detail of the BR head

DIN	01829545
Name	Kailash Dhar Diwan
Designation	Chairman -cum-Managing Director
Phone	033-2283 2725
Mail Id	diwan_kd@hindustancopper.com



## ANNEXURE-IV TO THE DIRECTORS' REPORT (Contd.)

### 2. Principle-wise (as per NVGs) BR Policy / policies (Reply in Y / N)

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These briefly are as under:

- P1 - Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.
- P2 - Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
- P3 - Businesses should promote the well-being of all employees.
- P4 - Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.
- P5 - Businesses should respect and promote human rights.
- P6 - Businesses should respect, protect, and make efforts to restore the environment.
- P7 - Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.
- P8 - Businesses should support inclusive growth and equitable development.
- P9 - Businesses should engage with and provide value to their customers and consumers in a responsible manner.

Sr. No.	Questions	Business Ethics	Product Responsibility	Welfare of Employees	Stakeholder Engagement	Human Rights	Environment	Public Policy	CSR	Value to customers
		P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy / policies for...	Y*	Y*	Y*	Y*	Y*	Y*	Y*	Y*	Y*
2	Has the policy been formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national / international standards? If yes, specify?	Y	Y	Y	Y	Y	Y	N	Y	N
4	Has the policy being approved by the Board? Is yes, has it been signed by MD/owner/CEO/ appropriate Board Director?	Y	N	Y	N	Y	Y	N	Y	N
5	Does the company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?	Y	N	Y	N	N	N	N	Y	N
6	Indicate the link for the policy to be viewed online?	Y**	Y**	Y**	N	N	N	N	Y**	Y**
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Communicated to key stakeholders of HCL. The communication is an on-going process to cover all internal and external stakeholders.								
8	Does the Company have in-house structure to implement the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	N	Y	Y
10	Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	N	N	N	N	N	Y	N	Y	N

\*The Company follows DPE, other applicable Government guidelines/ laws and the policies approved by the Board.

\*\*Company's Website: [www.hindustancopper.com](http://www.hindustancopper.com)



## ANNEXURE-IV TO THE DIRECTORS' REPORT (Contd.)

2a. If answer to Sr. No 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

Sr. No.	Questions	Business Ethics	Product Responsibility	Welfare of Employees	Stakeholder Engagement	Human Rights	Environment	Public Policy	CSR	Value to customers
		P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The Company has not understood the Principles	Not Applicable								
2	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3	The Company does not have financial or manpower resources available for the task									
4	It is planned to be done within next 6 months									
5	It is planned to be done within the next 1 year									
6	Any other reason (please specify)									

### 3. Governance related to BR:

- Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.

The BR performance of the Company is assessed on a need basis and in accordance with statutory requirements.

- Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

The Company publishes annually its BR report as per SEBI guidelines and it can be viewed at the Company's website [www.hindustancopper.com](http://www.hindustancopper.com).

#### Section E: Section Wise Performance

##### Principle 1: Ethics, Transparency and Accountability

Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

#### 1. Does the policy relating to ethics, bribery and corruption cover only the Company?

No. The Company is making continuous efforts in improving the systems and procedures so that they are transparent and in conformity with the extant rules & procedures, thereby ensuring that the working atmosphere and Company's dealings / transactions with other entities are relatively free from corruption. The Company has developed its Code of Ethics and Whistle Blower Policy which pertain to ethics, bribery and corruption. Its Code of Business Ethics governs the manner in which the Company carries out its activities and interacts with its stakeholders.

#### 2. Does it extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?

Yes. It extends to the Suppliers, Contractors, Business Partners and all other associated entities. The Company is a signatory of 'Integrity Pact' with Transparency International India wherein the Integrity Pact is signed between the bidders and the Company for all service contracts valuing Rs.20 crore and above and for all purchase contracts valuing Rs.10 crore and above.

#### 3. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

- Investor Grievances: 4 Investor grievances were received and resolved during 2015-16 and there was no outstanding complaint as on 31.3.2016;
- Public Grievances: 69 cases received during FY2015-16. 61 cases were redressed.
- Customer Grievance: Nil
- Stakeholder grievances pertaining to any other issue are forwarded to the respective department for redressal.



## ANNEXURE-IV TO THE DIRECTORS' REPORT (Contd.)

The stakeholders may address their complaints via platforms given below:

Employee Grievance	● Grievance Redressal System
	● Whistle Blower Policy
Shareholder Grievance	At dedicated email id- investors_cs@hindustancopper.com
Trade Union Grievance	Bipartite Forum at Unit/National level for the Company
Consumers/Customers Grievance	Grievance Redressal through Marketing Department
Public in General	Public Grievance System of the Ministry

### Principle 2: Products contributing to sustainability

Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

**1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and / or opportunities.**

The Company operates and manufactures its products (e.g. refined copper cathode, continuous cast wire rods, copper concentrate) in such a manner as to protect the environment, interests of employees and general public.

**2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):**

- Reduction during sourcing / production / distribution achieved since the previous year throughout the value chain
- Reduction during usage by consumers (energy, water) has been achieved since the previous year

The Company is committed to increased levels of recovery and recycling, as well as making investments in environment friendly technology/process to reduce energy intensity, toxicity and waste.

Energy Conservation: Energy consumption is constantly monitored at the mines, plants and townships with a view to achieve overall reduction. The table below shows the improvement in achievement in respect of power, fuel and recovery:

Item	Location	Achievement in 2015-16	Achievement in 2014-15
Power consumption (KWH/MT of ore)	Khetri Mine (KCC)	25.93	29.71
Power consumption (KWH/MT of ore)	Kolihan Mine(KCC)	19.88	21.81
Power consumption (KWH/MT of ore)	Malanjkhand Mine(MCP)	0.665	0.832
Power consumption in concentrator (KWH/MT of ore)	MCP	18.88	19.69
Fuel consumption ( Lit/Mt of anode)	ICC	502	546
Recovery of Copper at concentrator (%)	MCP	92.16	89.91
Recovery of Copper at concentrator (%)	KCC	89.898	87.76

Water use efficiency: Used water is reclaimed and re-used in order to conserve water. Water is treated before discharging via treatment plants. The processes are also reviewed and modified so as to reduce the requirement of water from time to time. Partial recycling of treated effluent water is carried for horticultural purposes.

**3. Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.**

Sustainable sourcing: Before registering / approving any party, the Company scrutinizes carefully relevant documents to verify compliances of all pre-set norms including the environmental norms by the party. In case of major items, Company Officials visits their premises to evaluate all their capabilities including the environmental and social issues.



## ANNEXURE-IV TO THE DIRECTORS' REPORT (Contd.)

Logistics improvements: The Company has continued to follow multi-modal transportation which is not only efficient & cost effective, but also environmental friendly. Further, improvements over the years through sealing of containers has successfully reduced the amount of dust emitted thus reducing the pollution level as well as wastage.

4. **Has the Company taken any steps to procure goods and services from local and small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve the capacity and capability of local and small vendors?**

Yes, the Company procures products and services from local producers and communities surrounding its operations.

Suppliers, vendors participate in awareness creation programs, capacity building workshops that include sharing technical expertise, skill up-gradation and shop floor visits. Company trained the local unemployed person to produce goods like hand gloves which is consumed in the factory regularly.

5. **Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste? (Separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.**

Currently, the Company recycles less than 5% of its waste generated internally.

A good amount of copper bearing waste generated in TCP unit is recycled to HCL smelter plant. The copper waste of refinery and electrical workshop is also recycled back to smelter. The tailing of concentrator plant is partly backfilled in the mines. The Company sells the used oil, rubber scrap to the Government approved recyclers and these recyclers address environmental concerns while recycling or disposing the waste. A good amount of granulated copper slag (i.e. a waste of smelter plant) is sold for using as an alternative of sand blasting.

The Company has installed a pilot plant to recover valuable metals from the ore tailing, a waste generated from the concentrator plant.

### Principle 3: Welfare of Employees

Businesses should promote the well-being of all employees.

1. **Please indicate the total number of employees.**

3252 as on 31st March, 2016.

2. **Please indicate the total number of employees hired on temporary / contractual / casual basis.**

The number of employees hired on contract during FY 2015-16 was 17. There was no employee hired on temporary / casual basis.

3. **Please indicate the number of permanent women employees.**

210 as on 31st March, 2016.

4. **Please indicate the number of permanent employees with disabilities.**

30 as on 31st March, 2016.

5. **Do you have an employee association that is recognized by Management?**

Yes.

6. **What percentage of your permanent employees is members of this recognised employee association?**

Almost all the workmen are members of the different registered Trade Unions operating in the Units / Offices



## ANNEXURE-IV TO THE DIRECTORS' REPORT (Contd.)

7. Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending as on the end of the financial year.

Sl. No.	Category	Complaints filed during the FY 2015-16	Complaints pending the end of FY 2015-16
1	Child labour/ forced labour/ involuntary labour	Nil	Nil
2	Sexual harassment	Nil	Nil
3	Discriminatory Employment	Nil	Nil

8. What percentage of your under mentioned employees were given safety and skill up-gradation training in the last year?

- Permanent Employees
- Permanent Women Employees
- Casual/Temporary/Contractual Employees
- Employees with Disabilities

Category	%
Permanent Employees	54
Permanent Women Employees	8.57
Casual/Temporary/Contractual Employees	23
Employees with Disabilities	6.66

Based on identified needs of employees, training and development, at all levels, is given due priority, by the Company for growth of individual as well as company effectiveness. The Company selectively nominates its employees for specialized training Programmes / Workshops / Seminars / Conferences organized by reputed professional organizations and Institutes.

### Principle 4: Stakeholder Engagement

Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

1. Has the Company mapped its internal and external stakeholders? Yes / No

Yes

2. Out of the above, has the Company identified the disadvantaged, vulnerable and marginalized stakeholders?

Yes

3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.

Yes, the Company takes various initiatives to engage with disadvantaged or marginalised stakeholders such as employees with special needs, employees from disadvantaged sections of society. All decisions that impact such stakeholders are taken only post deliberations.

The Company conducted Base-line Surveys within 20 Kms radius around plant and mining areas to identify feasible need-base CSR projects for the respective communities from the peripheral villages, the needs of the Community especially disadvantaged and marginalised amongst them, were prioritised.



### Principle 5: Human Rights

Businesses should respect and promote human rights.

- 1. Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Venture/ Suppliers/ Contractors/NGO/ Others?**

The Company respects human rights and addresses human rights through its own codes and procedures and compliance with applicable laws. HCL adheres to the statutes of India such as Mines Act, Factories Act which embody some of human rights principles such as prevention of child labour, forced labour.

The Company has a structured mechanism in place to address the human rights issues such as equal opportunity to all, non-discrimination, removing pay anomaly, etc. Adequate efforts are undertaken to eliminate discrimination and harassment such as workers' participation from shop floor to corporate level, concessions to persons with disability, prohibition of sexual harassment of women at workplace.

HCL is an equal opportunity employer and does not discriminate among employees based on colour, caste, race, region, religion, gender, etc. The Company implements directives of Government of India for reservation for SC/ST/ OBC/ PWD/Ex-Servicemen in recruitment.

- 2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the Management?**

Nil

### Principle 6: Environment

Businesses should respect, protect, and make efforts to restore the environment.

- 1. Does the policy related to Principle 6 cover only the Company or extends to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?**

Yes, the Company expects its suppliers and contractors to be compliant with all applicable laws, including those related to environment.

- 2. Does the Company have strategies / initiatives to address global environmental issues such as climate change, global warming, etc.? Y / N. If yes, please give hyperlink for webpage etc.**

The Company does not have a process in place yet, to map its Green House Gas (GHG) emissions and mitigate such emissions. However, its technology up gradation and energy efficiency initiatives contribute to mitigation of GHG emissions. The Company understands the importance of climate change risk mitigation by adapting to likely climate changes and its impact on business operations.

- 3. Does the company identify and assess potential environmental risks? Y/N**

Yes

- 4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?**

The Company does not have any project related to the Clean Development Mechanism.

- 5. Has the Company undertaken any other initiatives on - clean technology, energy efficiency, renewable energy etc.? Y / N. If yes, please give hyperlink to web page etc.**

Yes, the Company has taken following initiatives:

Energy Conservation:

- Best practices of energy conservation are adopted across the organisation which resulted reduction in energy consumption shown in table above.
- Electrical water heater was replaced by solar water heater in few places.
- Large capacity equipments are commissioned in mines for energy conservation besides high productivity.
- Scheduled replacement and preventive maintenance of equipment at Mines and Plants for efficient use of energy.
- Power factor improved and maintained near to unity.
- High wattage conventional lights were replaced by low power consuming LED lights
- Old filters were replaced with energy efficient modern ceramic filters



## ANNEXURE-IV TO THE DIRECTORS' REPORT (Contd.)

- VFDs were installed in casting wheels, crane & conveyor belt at ICC Smelter.
- Low pressure burner in place of high pressure burner was installed in Flash furnace.
- Use of mine water in beneficiation circuit reduced running hours of river pump.
- Reciprocating compressor of drill machine was replaced with highly efficient screw compressor.
- Old inefficient motors replaced with premium class IE-3 energy efficient motors at ICC.
- 132 KW Rotoclone motor of concentrator plant was replaced by 110 KW motor.

### New Technologies:

- Recovery of valuable metals from Copper ore tailing- a pilot plant has been installed and it is under operation at KCC.
- New Technology to recover nickel, pure copper and acid from the spent electrolyte of ICC refinery is under implementation and the plant is expected to be commissioned in 2016-17

### R&D projects:

- Pilot scale study has been completed by M/s Outotec, Finland to extract copper from concentrate through hydrometallurgical route.
- Test work of three copper ore samples namely, ICC, KCC & MCP origin was completed by M/s GTK, Finland and it will be the basis for selection of technology for new concentrator plant.

### Environment:

The Company has an Environment Management Plan, approved by the Board and it covers prevention, mitigation and control of environmental damages and disasters. An external party was engaged to conduct environmental audit and adherence to the recommendations are implemented and monitored by environmental cells on a periodic basis. The Company has resorted to extensive plantation around the mining and township areas at the units to maintain the green environment.

### Waste management:

The Company sells its scrap/obsolete/surplus items through e-auction from time to time. Solid waste like granulated slag, waste bricks and boiler ash are sold to the intended party whereas tailings and waste rock are safely stored. The waste thus stored is reused, recycled or disposed in an environmentally acceptable manner.

### 6. Are the Emissions / Waste generated by the Company within the permissible limits given by CPCB / SPCB for the financial year being reported?

The ambient air quality is regularly monitored at mines, all process plants and residential areas at all the units. The air quality levels are well within the standards and limits prescribed by the Pollution Control Boards.

Effluent treatment facilities installed at the Units of the Company have been working satisfactorily and meeting regulatory norms as prescribed by the Pollution Control Boards. Discharged process water is being recycled after treatment thus conserving the water.

Solid waste from plants and hospitals is also safely disposed-off or stored as per guidelines prescribed by the Pollution Control Boards.

### 7. Number of show cause / legal notices received from CPCB / SPCB which are pending (i.e. not resolved to satisfaction) as of end of financial year.

Nil

### Principle 7: Public Advocacy

Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

#### 1. Is your Company a member of any trade and chambers or association? If yes, name only those major ones that your business deals with.

Yes, e.g. the Standing Conference of Public Enterprises, Indian Society of Training & Development, Indian Copper Development Centre, All India Management Association, National Institute of Personnel Management, Confederation of Indian Industry, Federation of Indian Mineral Industries, Indian Chamber of Commerce.

#### 2. Have you advocated / lobbied through above associations for the advancement or improvement of public good? Yes / No; if yes, specify the broad areas (drop box: Governance and Administration,



## ANNEXURE-IV TO THE DIRECTORS' REPORT (Contd.)

### Economic Reforms, Inclusive Development Policies, Energy Security, Water, Food Security, Sustainable Business Principles, Others)

No

#### Principle 8: Inclusive Growth

Businesses should support inclusive growth and equitable development.

1. **Does the Company have specified programmes / initiatives / projects in pursuit of the policy related to Principle 8? If yes, details thereof.**

Yes. The Company is committed to social, economic and environmental development of communities at all its operations and is committed to long term, mutually beneficial partnership between communities, Government & stake holders. The corporate social responsibility (CSR) plan of the Company has been prepared based on Baseline Survey.

2. **Are the programmes / projects undertaken through in-house team / own foundation / external NGO / government structures / any other organization?**

All programmes and projects are undertaken through both in-house teams and external Government structures and implemented with the assistance of NGOs and consultants with requisite sector expertise wherever required.

3. **Have you done impact assessment of your initiative?**

Yes.

4. **What is the Company's direct contribution to community development projects - Amount in INR and the details of the projects undertaken?**

In 2015-16, Rs.7.67 crores towards community development projects. The details of the project undertaken are given in Point no. 5 below.

5. **Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**

All projects are planned after Baseline surveys conducted among the target communities through Participatory Rural Appraisal (PRA) methods; formation of user-groups for the Panchayats, who finally own the projects. Additionally; formation of user-groups for the facilities ensures that the community development initiatives are successfully adopted by the community. The continuation of the CSR initiatives i.e. Systematic Rice Intensification (SRI), the livelihood programs i.e. Handloom weaving Units or the functioning of the Solar Street Lights and Hand-Pumps indicates that the community has adopted them whole-heartedly.

Also, the third party assessment study, which is conducted after the financial year, reviews the extent of community ownership and success of the planned projects.

Feedback of communities is factored into selecting CSR projects for the next financial year.

#### Principle 9: Value to Customers

Businesses should engage with and provide value to their customers and consumers in a responsible manner.

1. **What percentage of customer complaints / consumer cases is pending as on the end of financial year?**

Nil

2. **Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes / No / N.A. / Remarks (additional information)**

Yes

3. **Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and / or anti-competitive behaviour during the last five years and pending as of end of financial year? If so, provide details thereof, in about 50 words or so.**

Nil

4. **Did your Company carry out any consumer survey / consumer satisfaction trends?**

Yes. Consumer satisfaction survey is an integral part of the Company in line with ISO 9001:2008 QMS certification with effect from January, 2014.



## ANNEXURE-V TO THE DIRECTORS' REPORT

### EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31.3.2016

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration Rules, 2014)]

#### I. REGISTRATION AND OTHER DETAILS:

- i) CIN: L27201WB1967GOI028825
- ii) Registration Date: 9.11.1967
- iii) Name of the Company: Hindustan Copper Limited
- iv) Category / Sub-Category of the Company: Public Limited
- v) Address of the Registered office and contact details:  
Tamra Bhavan, 1 Asutosh Chowdhury Avenue, Kolkata: 700019  
Tel. No: 033-22832226, 033-22832676.  
E-mail: singhi\_cs@hindustancopper.com
- vi) Whether listed company Yes<sup>✓</sup> / No
- vii) Name, Address and Contact details of Registrar and Transfer Agent, if any:  
M/s. C B Management Services (P) Ltd.  
P-22 Bondel Road, Kolkata - 700 019  
Tel. No. : (033) 2280 6692, 4011 6700/18/23/28  
Fax No. : (033) 4011 6739  
E-mail : rta@cbmsl.com

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated: Continuous Cast Copper Wire Rod (NIC code 24201) contributes 83.82% of the total turnover of the Company.

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

Sl. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	NIL	N.A.	N.A.	N.A.	N.A.

#### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as Percentage of Total Equity)

##### i) Category-wise Share Holding

Category of Shareholder	Number of shares held at the beginning of the year				Number of shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
(a) Individual/ HUF	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
(b) Central Govt.	832218459	NIL	832218459	89.95	832218459	NIL	832218459	89.95	NIL
(c) State Govt.(s)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
(d) Bodies Corp.	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
(e) Banks/FI	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
(f) Any Other	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
<b>Sub Total(A)(1)</b>	<b>832218459</b>	<b>NIL</b>	<b>832218459</b>	<b>89.95</b>	<b>832218459</b>	<b>NIL</b>	<b>832218459</b>	<b>89.95</b>	<b>NIL</b>



## ANNEXURE-V TO THE DIRECTORS' REPORT (Contd.)

(2) Foreign										
(a) NRIs-Individuals	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
(b) Other- Individuals	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
(c )Bodies Corporate	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
(d) Banks/FI	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
(e) Any Other	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
<b>Sub Total(A)(2)</b>	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
<b>Total Shareholding of Promoter (A)= (A)(1)+(A)(2)</b>	832218459	NIL	832218459	89.95	832218459	NIL	832218459	89.95	NIL	NIL
<b>B. Public shareholding</b>										
<b>1. Institutions</b>										
(a) Mutual Funds	3101406	100	3101506	0.34	3101359	100	3101459	0.34	NIL	NIL
(b) Banks/FI	10769004	NIL	10769004	1.16	10765769	NIL	10765769	1.16	NIL	NIL
(c ) Central Govt.	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
(d) State Govt.(s)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
(e) Venture Capital Funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
(f) Insurance Companies	54683782	NIL	54683782	5.91	55143386	NIL	55143386	5.96	0.05	0.05
(g) FIIs	368178	NIL	368178	0.04	22534	NIL	22534	NIL	-0.04	-0.04
(h) Foreign Venture Capital Funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
(i) Other (specify)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
<b>Sub-Total (B)(1)</b>	68922370	100	68922470	7.45	69033048	100	69033148	7.46	0.01	0.01
<b>2. Non-institutions</b>										
(a) Bodies Corporate										
(i) Indian	5771244	4200	5775444	0.62	4656488	4200	4660688	0.50	-0.12	-0.12
(ii) Overseas	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
(b) Individuals										
(i) Individual shareholders holding nominal share capital up to ₹ 1 lakh	16152637	87853	16240490	1.76	16492275	86953	16579228	1.79	0.04	0.04
(ii) Individual share holders holding nominal share capital in excess of ₹1 lakh.	1389195	NIL	1389195	0.15	1750328	NIL	1750328	0.19	0.04	0.04
(c )Others (specify)	671942	NIL	671942	0.07	976149	NIL	976149	0.10	0.03	0.03
(i) Qualified Foreign Investor	2500	NIL	2500	NIL	2500	NIL	2500	NIL	NIL	NIL
(ii) Trust & Foundations	175	NIL	175	NIL	25	NIL	25	NIL	NIL	NIL
(iii) Non-Resident Individuals	669267	NIL	669267	0.07	686193	NIL	686193	0.07	NIL	NIL
(iv) Foreign Portfolio Investor	NIL	NIL	NIL	NIL	287431	NIL	287431	0.03	0.03	0.03
<b>Sub-Total (B)(2)</b>	23985018	92053	24077071	2.60	23875240	91153	23966393	2.59	-0.01	-0.01
<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	92907388	92153	92999541	10.05	92908288	91253	92999541	10.05	NIL	NIL
<b>C. Shares held by Custodians for GDRs &amp; ADRs</b>	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
<b>GRAND TOTAL (A+B+C)</b>	925125847	92153	925218000	100.00	925126747	91253	925218000	100.00	NIL	NIL



## ANNEXURE-V TO THE DIRECTORS' REPORT (Contd.)

### ii) Shareholding of Promoters

Sl. No.	Share holder's name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change in share holding during the year
		No. of Shares	% of total share of the Company	% of share Pledged/ encumbered to total shares	No. of Shares	% of total share of the Company	% of share Pledged/ encumbered to total shares	
1.	President of India	832218459	89.95	NIL	832218459	89.95	NIL	NIL
	Total	832218459	89.95	NIL	832218459	89.95	NIL	NIL

### iii) Change in Promoters' Shareholding (please specify, if there is no change)

	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of Shares	% of total share of the Company	No. of Shares	% of total share of the Company
At the beginning of the year	832218459	89.95	832218459	89.95
Date wise Increase/Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/bonus/ sweat equity etc):	Nil	Nil	NA	NA
At the End of the year	832218459	89.95	832218459	89.95

### iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year		
	For Each of the Top 10 Shareholders At the beginning of the year Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc): At the End of the year (or on the date of separation, if separated during the year)	No. of Shares	% of total share of the Company	No. of Shares	% of total share of the Company	
1. Life Insurance Corporation of India						
	At the beginning of the year	01/04/2015	48319178	5.22	48319178	5.22
	Increase - Transfer	12/06/2015	106726	0.01	48425904	5.23
	Increase - Transfer	19/06/2015	183740	0.02	48609644	5.25
	Increase - Transfer	26/06/2015	137116	0.02	48746760	5.27
	Increase - Transfer	03/07/2015	32022	0.00	48778782	5.27
	At the end of the year	31/03/2016			48778782	5.27



## ANNEXURE-V TO THE DIRECTORS' REPORT (Contd.)

<b>2. Central Bank of India</b>					
At the beginning of the year	01/04/2015	3696774	0.40	3696774	0.40
At the end of the year	31/03/2016			3696774	0.40
<b>3. Bank of India</b>					
At the beginning of the year	01/04/2015	3311253	0.36	3311253	0.36
At the end of the year	31/03/2016			3311253	0.36
<b>4. General Insurance Corporation of India</b>					
At the beginning of the year	01/04/2015	2124540	0.23	2124540	0.23
At the end of the year	31/03/2016			2124540	0.23
<b>5. The New India Assurance Company Limited</b>					
At the beginning of the year	01/04/2015	1844904	0.20	1844904	0.20
At the end of the year	31/03/2016			1844904	0.20
<b>6. LIC of India Profit Plus Growth Fund</b>					
At the beginning of the year	01/04/2015	1000000	0.11	1000000	0.11
At the end of the year	31/03/2016			1000000	0.11
<b>7. United India Insurance Company Limited</b>					
At the beginning of the year	01/04/2015	1000000	0.11	1000000	0.11
At the end of the year	31/03/2016			1000000	0.11
<b>8. LIC of India Market Plus 1 Growth Fund</b>					
At the beginning of the year	01/04/2015	1000000	0.11	1000000	0.11
At the end of the year	31/03/2016			1000000	0.11
<b>9. Syndicate Bank</b>					
At the beginning of the year	01/04/2015	930000	0.10	930000	0.10
At the end of the year	31/03/2016			930000	0.10
<b>10. Life Insurance Corporation of India - ULIF004200910LIC END+GRW512</b>					
At the beginning of the year	01/04/2015	900000	0.10	900000	0.10
At the end of the year	31/03/2016			900000	0.10

**v) Shareholding of Directors and Key Managerial Personnel:**

None of the Directors and KMPs is holding shares in the Company except Shri Santosh Sharma, Director (Operation), whose details are given below:

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total share of the Company	No. of Shares	% of total share of the Company
	At the beginning of the year Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment/ transfer/bonus/ sweat equity etc): At the end of the year				
1.	Shri Santosh Sharma, Director (Operations) Beginning of the year End of the year	NA 300	NA 0.00	NA 300	NA 0.00



## ANNEXURE-V TO THE DIRECTORS' REPORT (Contd.)

### V. INDEBTEDNESS

**Indebtedness of the Company including interest outstanding/accrued but not due for payment**

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	Nil	Nil	Nil	Nil
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
Change in Indebtedness during the financial year				
• Addition	₹ 200 crores	Nil	Nil	₹ 200 crores
• Reduction	Nil	Nil	Nil	Nil
<b>Net Change</b>	<b>₹ 200 crores</b>	<b>Nil</b>	<b>Nil</b>	<b>₹ 200 crores</b>
Indebtedness at the end of the financial year				
i) Principal Amount	₹ 200 crores*	Nil	Nil	₹ 200 crores*
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	₹ 2.18 crores	Nil	Nil	₹ 2.18 crores
<b>Total (i+ii+iii)</b>	<b>₹ 202.18 crores</b>	<b>Nil</b>	<b>Nil</b>	<b>₹ 202.18 crores</b>

\* Excluding foreign exchange fluctuations

### VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

#### A Remuneration to Managing Directors, Whole-time Directors and/or Manager:

(₹ in Lakh)

Sl No	Particulars of Remuneration	Name of MD/WTD/ Manager						Total Amount
		K. D. Diwan	A. Anand	S. Nanda	V. V. Venugopal Rao	S K Bhattacharya	Santosh Sharma	
1.	Gross salary							
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	45.65	38.99	38.23	30.03	12.62	2.15	167.67
	(b) Value of perquisites u/s 17(2) Income Tax, 1961	5.70	5.11	5.21	3.88	1.32	0	21.22
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	0	0	0	0	0	0	0
2.	Stock Option	0	0	0	0	0	0	0
3.	Sweat Equity	0	0	0	0	0	0	0
4.	Commission - as % of Profit - others, specify	0	0	0	0	0	0	0
5.	Others, please specify	0	0	0	0	0	0	0
	<b>Total (A)</b>	<b>51.35</b>	<b>44.10</b>	<b>43.44</b>	<b>33.91</b>	<b>13.94</b>	<b>2.15</b>	<b>188.89</b>
	<b>Ceiling as per the Act</b>	<b>NA</b>						



## ANNEXURE-V TO THE DIRECTORS' REPORT (Contd.)

### B Remuneration to other directors:

(₹ in Lakh)

Sl. No.	Particulars of Remuneration	Name of Directors							Total Amount
		U. D. Choubey	A. K. Singh	Bulbul Sen	Simantini Jena	Hemant Mehtani	D R S Chaudhary	Niranjan Pant	
1.	Independent Directors • Fee for attending board/ committee meetings • Commission • Others, please specify	1.20	1.40	1.40	0.30	0.50	0.50	0.10	5.40
	<b>Total (1)</b>	1.20	1.40	1.40	0.30	0.50	0.50	0.10	5.40
2.	Other Non-Executive Directors • Fee for attending board committee meetings • Commission • Others, please specify	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	<b>Total (2)</b>	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	<b>Total (B)=(1+2)</b>	1.20	1.40	1.40	0.30	0.50	0.50	0.10	5.40
	Total Managerial Remuneration								5.40
	Overall Ceiling as per the Act	NA							

### C. Remuneration to Key Managerial Personnel other than MD/WTB:

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961 (b) Value of perquisites u/s 17(2) of the Income Tax, 1961 (c) Profits in lieu of salary under of the section 17(3) of the Income Tax Act, 1961		27.48 0.11 0		27.48 0.11 0
2.	Stock Option		0		0
3.	Sweat Equity		0		0
4.	Commission - as % of profit - others, specify		0		0
5.	Others, please specify		0		0
	<b>Total</b>		27.59		27.59

### VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

Sl. No.	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/NCLT/ COURT]	Appeal made, if any (give Details)
A. Company					
Penalty	Nil				
Punishment					
Compounding					
B. Director					
Penalty	Nil				
Punishment					
Compounding					
C. Other officers in default					
Penalty	Nil				
Punishment					
Compounding					



## ANNEXURE-VI TO THE DIRECTORS' REPORT

### REPORT ON CORPORATE GOVERNANCE

#### 1. Company's Philosophy

The philosophy of the Company in relation to corporate governance is to ensure transparency, disclosures and reporting that conforms fully with the laws and regulations of the country in order to promote ethical conduct and practices throughout the organization for enhancing stakeholders' value.

#### 2. Board of Directors

##### (a) Composition:

As on 31.3.2016, the Board of Directors comprised five functional directors, viz., Chairman-cum-Managing Director, Director (Personnel), Director (Finance), Director (Mining) and Director (Operations), two Government nominee directors (part-time official) representing the Ministry of Mines, Government of India and six Independent directors (part-time non-official). The post of one Independent director is lying vacant since 19.3.2016. The Company has requested the Ministry of Mines, Government of India to fill up the vacant post.

##### (b) Meetings, attendance & other directorship

During 2015-16, seven Board meetings were held on 8.4.2015, 28.5.2015, 11.8.2015, 6.11.2015, 23.12.2015, 14.1.2016 and 3.2.2016. Attendance of directors at Board meetings and at the last Annual General Meeting (AGM), number of directorship and membership in committees of other companies during the year was as follows:

##### (i) Whole time Directors

Name of the director	No of Board meetings attended out of 7 held	Attendance at last AGM held on 17.8.2015	No of other directorship	No of committee position held in other companies	
				Chairman	Member
Shri K D Diwan Chairman-cum-Managing Director	7	Yes	Nil	Nil	Nil
Shri Anupam Anand Director(Personnel)	6	Yes	Nil	Nil	Nil
Shri S Nanda* Director (Operations)	6	Yes	Nil	Nil	Nil
Shri V V Venugopal Rao Director (Finance)	7	Yes	Nil	Nil	Nil
Shri Sanjay Kumar Bhattacharya** Director (Mining)	4	NA	Nil	Nil	Nil
Shri Santosh Sharma# Director (Operations)	Nil	NA	Nil	Nil	Nil

(\*Ceased to be Director (Operations) w.e.f. 1.2.2016) (\*\*Appointed as Director (Mining) w.e.f. 15.9.2015) (#Appointed as Director (Operation) w.e.f. 1.3.2016)

##### (ii) Part time official (Govt. Nominee) Directors

Name of the director	No of Board meetings attended out of 7 held	Attendance at last AGM held on 17.8.2015	No of other directorship	No of committee position held in other companies	
				Chairman	Member
Shri Arun Kumar*	2	NA	Nil	Nil	Nil
Shri Nikunja Bihari Dhal**	2	NA	1	Nil	1
Smt Sujata Prasad	4	No	4	1	6

(\* Ceased to be Director w.e.f. 4.8.2015) (\*\* Appointed as Director w.e.f. 14.9.2015)



## ANNEXURE-VI TO THE DIRECTORS' REPORT (Contd.)

### (iii) Part time non-official (Independent) Directors

Name of the director	No of Board meetings attended out of 7 held	Attendance at last AGM held on 17.8.2015	No of other directorship	No of committee position held in other companies	
				Chairman	Member
Smt Bulbul Sen*	7	Yes	1	1	Nil
Shri U D Choubey	5	No	Nil	Nil	Nil
Shri Ashok Kumar Singh	7	Yes	1	1	1
Smt Simantini Jena**	3	NA	Nil	Nil	Nil
Shri Hemant Mehtani**	3	NA	1	Nil	Nil
Shri Dileep Raj Singh Chaudhary#	3	NA	2	Nil	5
Shri Niranjana Pant#	1	NA	Nil	Nil	Nil

(\*Ceased to be Director on completion of tenure on 18.3.2016) (\*\*Appointed as Director w.e.f. 17.11.2015) (#Appointed as Director w.e.f. 1.12.2015)

### (c) Remuneration paid to Directors

#### (i) Whole-time Directors

The details of remuneration paid to the whole-time Directors during 2015-16 was as follows:

Name of the director	All elements of remuneration package i.e. salary, PF contribution, pension, gratuity, etc. (₹)	Performance Linked Incentives (₹)	Other Benefits (₹)	Total (₹)
Shri K D Diwan Chairman-cum-Mg Director	31,38,627	16,98,864	Medical : 783 Accommodation : 6,04,829 Electricity : 27,380	54,70,483
Shri Anupam Anand Director(Personnel)	29,52,155	12,03,364	Medical : 2,100 Accommodation : 6,82,780 Electricity : 38,360	48,78,759
Shri S Nanda Director(Operations) (Upto 1.2.2016)	53,95,995	9,75,484	Medical : 13,285 Accommodation : 6,15,482 Electricity : 30,610	70,30,856
Shri V V venugopal Rao Director(Finance)	26,26,112	6,03,000	Medical : 3,891 Accommodation : 6,59,516 Electricity : 25,758	39,18,277
Shri Sanjay Kumar Bhattacharya Director (Mining) (From 15.9.2015)	13,85,120	Nil	Medical : 3160 Accommodation : 2,46,088 Electricity : Nil	16,34,369
Shri Santosh Sharma Director (Operations) (From 1.3.2016)	2,33,758	Nil	Medical : Nil Accommodation : Nil Electricity : Nil	2,33,758
Total	1,57,31,767	44,80,712	29,54,023	2,31,66,502



## ANNEXURE-VI TO THE DIRECTORS' REPORT (Contd.)

### (ii) Part time non-official (Independent) Directors

Independent directors are not paid any remuneration except sitting fees at the rate of ₹10,000/- per Board meeting and per Committee meeting. During 2015-16, the amount of sitting fees paid to Independent directors was as follows:

Sl. No.	Name of the director	Sitting Fees (₹)		
		Board meetings	Committee meetings	Total
1.	Smt Bulbul Sen	70,000	70,000	1,40,000
2.	Shri U D Choubey	50,000	70,000	1,20,000
3.	Shri Ashok Kumar Singh	70,000	70,000	1,40,000
4.	Smt Simantini Jena	30,000	Nil	30,000
5.	Shri Hemant Mehtani	30,000	20,000	50,000
6.	Shri Dileep Raj Singh Chaudhary	30,000	20,000	50,000
7.	Shri Niranjan Pant	10,000	Nil	10,000
	<b>Total</b>	<b>2,90,000</b>	<b>2,50,000</b>	<b>5,40,000</b>

### (iii) Part time official (Govt. Nominee) Directors

The Govt. Nominee Directors are not entitled to any remuneration. There are only eligible for travelling, boarding & lodging expenses for attending meetings.

Service contracts, notice period, severance fee:

The whole time directors are appointed by the President of India for a period of five years from the date of taking over charge or till the date of superannuation (presently 60 years of age) or till further order from the Government of India, whichever event occurs the first. The appointment may, however, be terminated by either side on three months notice or on payment of three months salary in lieu thereof.

Part time official (Government nominee) directors representing the Ministry of Mines are appointed by the President of India till further orders from the Ministry of Mines.

Part time non-official (Independent) directors are appointed by the President of India for a period of three years.

There is no provision for payment of severance fees to directors.

### 3. Audit Committee

The terms of reference of the Audit Committee is as per the Companies Act, 2013 and SEBI (LODR), 2015.

During 2015-16, the Committee met four times on 27.5.2015, 11.8.2015, 6.11.2015 and 3.2.2016. The composition of the Committee and attendance of the members at the meetings is given below:

Name	Category	Position	Number of meetings attended out of 4 held
Shri U D ChoubeyIndependent Director	Chairman	4	
Smt Bulbul Sen	-do-	Member	4
Shri Ashok Kumar Singh	-do-	-do-	4
Shri Dileep Raj Singh Chaudhary*	-do-	-do-	1
Shri Hemant Mehtani*	-do-	-do-	1

\* Inducted in the committee from 14.1.2016



## ANNEXURE-VI TO THE DIRECTORS' REPORT (Contd.)

### 4. Nomination and Remuneration Committee

The terms of reference of the Committee is as per the Companies Act, 2013, SEBI (LODR), 2015 and office memorandum No.2 (70)/08-DPE (WC)-GL-XVI/08 dated 26.11.2008, issued by the Department of Public Enterprises (DPE), Government of India (GoI). In terms of above office memorandum, the Committee also recommends payment of Performance Related Pay (PRP) and policy for its distribution across the executives (including functional directors) of the Company within the prescribed limits.

Being a Government Company, the remuneration, the terms and conditions of appointment of Directors and Key Managerial Personnel (KMP) and employees of the Company are governed by the guidelines issued by the DPE, GoI from time to time.

No meeting of the Committee was held during 2015-16. The composition of the Committee reconstituted on 14.1.2016 is given below:

Name	Category	Position
Shri Ashok Kumar Singh	Independent Director	Chairman
Smt. Sujata PrasadGovt. Nominee Director	Member	
Smt Bulbul Sen	Independent Director	-do-
Shri Hemant Mehtani	-do-	-do-
Smt. Simantini Jena	-do-	-do-

### 5. Stakeholders Relationship Committee

The composition of the Stakeholders Relationship Committee is as follows:

Name	Category	Position
Smt Bulbul Sen	Independent Director	Chairperson
Shri Hemant Mehtani	-do-	Member
Shri Niranjan Pant-do-	-do-	
Shri Anupam Anand	Director (Personnel)	-do-
Shri V V Venugopal Rao	Director (Finance)	-do-

During 2015-16 the Company received and resolved four complaints and there was no complaint pending as on 31.3.2016. Shri C S Singhi, Company Secretary is the Compliance Officer.

### 6. General body meeting

#### Annual General Meeting:

Details of Annual General Meetings held during last three years are as under:

Year	Date	Time	Location	Number of special resolutions passed
2013-14	20.9.2013	11.00 AM	Tamra Bhavan, 1 Ashutosh Chowdhury Avenue, Kolkata- 700019	Nil
2014-15	19.9.2014	-do-	-do-	Nil
2015-16	17.8.2015	10:30 AM	-do-	Nil

Extraordinary General Meeting: Nil

Postal Ballot Meeting: No special resolution was passed last year through postal ballot. No special resolution is proposed to be conducted through postal ballot in the ensuing AGM.

### 7. Means of communication:

The quarterly and annual financial results are generally published in Business Standard/ Financial Express (English) and Anand Bazar Patrika/ Sanmad Pratidin (Bengali).

The financial results are also made available at the Company's website [www.hindustancopper.com](http://www.hindustancopper.com) in addition to furnishing of the same to the NEAPS portal of NSE and Listing Centre portal of BSE.



## ANNEXURE-VI TO THE DIRECTORS' REPORT (Contd.)

### 8. General Shareholder information

- (i) 49th Annual General Meeting (AGM)  
Date : 26th September, 2016  
Time : 10:30 AM  
Venue : Tamra Bhavan, 1 Ashutosh Chowdhury Avenue, Kolkata- 700019
- (ii) Financial Year : From 1st April to 31st March each year
- (iii) Book closure date : 20th September, 2016 to 26th September, 2016 (Both days inclusive)
- (iv) Dividend payment date: No dividend has been recommended for 2015-16 by the Board.
- (v) Listing on Stock Exchanges:
- (vi) Registrar & Share Transfer Agent

Name of Stock Exchanges	Address	Stock Code	Date from which listed	Payment of listing fee for FY 2016-17
BSE Limited	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001	513599	2.8.1994	Yes
National Stock Exchange of India Limited	Exchange Plaza, C-1, Block G, Bandra-Kurla Complex, Bandra (East), Mumbai 400 051	HINDCOPPER	15.9.2010	Yes

M/s C B Management Services (P) Ltd  
P- 22, Bondel Road, Kolkata- 700 019  
Telephone: (033) 2280 6692, 4011 6700 /18 /23 /28  
Fax: (033) 4011-6739  
E-mail: rta@cbmsl.com

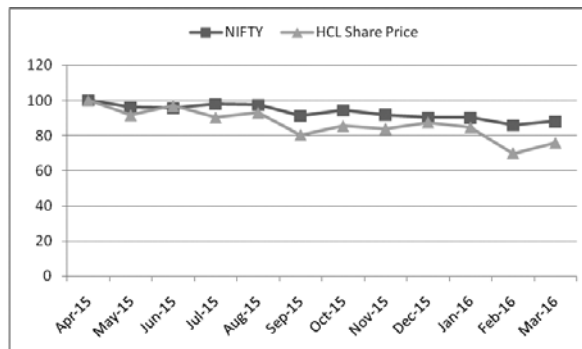
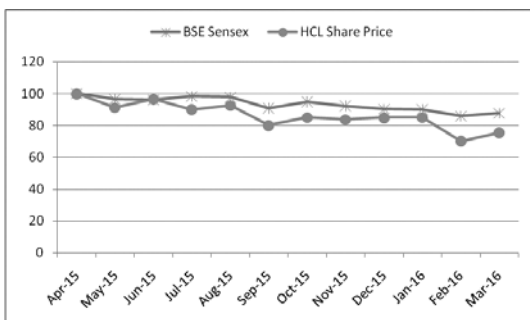
- (vii) Share transfer system  
Share transfer requests lodged with the Company are processed by RTA and certificates dispatched to the buyers within 15 days from the date of lodgment.
- (viii) Stock market price data  
Monthly high and low price of Company's shares traded on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) during the FY 2015-16 was as follows:

Month	BSE		NSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April 2015	72.40	61.85	72.35	61.85
May 2015	66.15	59.20	66.25	58.95
June 2015	69.90	52.15	70.00	51.85
July 2015	65.25	57.90	65.30	58.00
August 2015	67.05	45.00	67.25	49.00
September 2015	58.00	49.45	58.15	49.45
October 2015	61.65	53.65	61.75	53.55
November 2015	60.70	51.90	60.65	51.60
December 2015	61.50	54.15	63.30	54.00
January 2016	61.60	48.00	61.30	47.75
February 2016	50.80	42.30	50.50	42.55
March 2016	54.70	43.05	54.80	43.10



## ANNEXURE-VI TO THE DIRECTORS' REPORT (Contd.)

- (ix) Share price of HCL in comparison to BSE SENSEX and NSE NIFTY over the base of March, 2015 high price in percentage terms is plotted below:



- (x) Shareholding Pattern as on 31.3.2016

Sr. No.	Category	No. of shares held	%
1	President of India	83,22,18,459	89.95
2	Mutual Funds	31,01,459	0.34
3	Financial Institutions/Banks	1,07,65,769	1.16
4	Insurance Companies	5,51,43,386	5.96
5	Bodies Corporate	46,60,688	0.50
6	NRIs/FIIs/QFIIs	9,98,658	0.11
7	Trusts & Foundations	25	0.00
8	Indian Public	1,83,29,556	1.98
	Total	92,52,18,000	100

- (xi) Distribution of shareholding as on 31.3.2016

Range		Shares	Folios	% Shares
1	500	6654600	54252	0.72
501	1000	3032315	3768	0.33
1001	2000	2553519	1685	0.28
2001	3000	1401853	544	0.15
3001	4000	793302	220	0.08
4001	5000	866304	183	0.09
5001	10000	1939956	269	0.21
10001	50000	2924397	158	0.32
50001	100000	1049740	14	0.11
100001 and above		904002014	28	97.71
Total		925218000	61121	100.00

- (xii) Dematerialization of shares and liquidity

The Company's shares are tradable compulsorily in electronic form and are available for trading in the depository systems of both National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL).



## ANNEXURE-VI TO THE DIRECTORS' REPORT (Contd.)

The International Securities Identification Number (ISIN) allotted to the Company's equity shares is INE531E01026 with effect from 29.8.2008. Status of dematerialization as on 31.3.2016 was as follows:

Particulars	No. of Shares	% of Holding	No. of folio
DEMAT :			
a) N S D L	91,75,14,117	99.17	36,660
b) C D S L	76,12,630	0.82	23,815
PHYSICAL	91,253	0.01	646
<b>Total</b>	<b>92,52,18,000</b>	<b>100.00</b>	<b>61,121</b>

(xiii) Outstanding GDRs/ADRs/ Warrants or any convertible instruments, conversion date and likely impact on equity: The Company has neither issued any GDR/ADR nor any convertible instrument as on date.

(xiv) Plant locations

- |  |  |   |
|--|--|---|
| 1. Indian Copper Complex<br>P.O.Ghatsila,<br>Dist.Singhbhum, Jharkhand | 2. Khetri Copper Complex<br>P.O.Khetrinagar,<br>Dist.Jhunjhunu, Rajasthan            | 3. Malanjkhand Copper Project<br>P.O.Malanjkhand,<br>Dist.Balaghat,Madhya Pradesh |
| 4. Taloja Copper Project<br>P.O.Taloja,<br>Dist.Raigad, Maharashtra    | 5. Gujarat Copper Project<br>747, GIDC Industrial Area<br>Jhagadia, Bharuch, Gujarat |   |

(xv) Address for correspondence

Hindustan Copper Ltd.  
"Tamra Bhawan",  
1 Ashutosh Chowdhury Avenue,  
Kolkata 700019  
e-mail: investors\_cs@hindustancopper.com  
Tel. No. (033) 2283 2226/2676

### 9. Disclosures

The Company has not entered into any transaction of material significance with the related parties during the year. The Company's Policy on related parties transactions is available at its website [www.hindustancopper.com](http://www.hindustancopper.com).

No penalties/strictures have been imposed on the Company by Stock Exchanges, SEBI or any statutory authority on any matters related to capital markets during last three years.

The Company has formulated Whistle Blower Policy and it is affirmed that no personnel has been denied access to the Audit Committee. The Policy is available at the Company's website at [www.hindustancopper.com](http://www.hindustancopper.com).

None of the directors of the Company are inter se related as on 31.3.2016. As per declaration given, none of the non-executive directors are holding any equity shares / convertible instruments in the Company. Familiarization programme imparted to Independent Directors is available at the Company's website at [www.hindustancopper.com](http://www.hindustancopper.com).

Pursuant to Regulation 17 (8) of SEBI (LODR) 2015, the CEO and CFO of the Company have given compliance certificate to the Board.

The Company has complied with Regulations 17 to 27 of SEBI (LODR), 2015 as applicable except that Independent directors are less than 50% of the Board. The Company has disseminated on its website all information as listed under clause (b) to (i) of Regulation 46 (2) of SEBI (LODR), 2015. The Company has not adopted any discretionary requirements specified in Part E of Schedule II of SEBI (LODR), 2015.

Commodity price risk or foreign exchange risk and hedging activities: Price of Company's copper products are linked to London Metal Exchange copper prices. As regard foreign exchange risk, the Company has a natural hedge.



## **CERTIFICATE ON CORPORATE GOVERNANCE**

**To the Members,  
Hindustan Copper Limited  
Kolkata**

We have examined the compliance of conditions of Corporate Governance by Hindustan Copper Limited ('the company'), for the year ended 31st March, 2016, as stipulated in Clause 49 of the Listing Agreement of the said company with stock exchanges/SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination is limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us, we hereby certify that the company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement/ Regulations except that during the financial year 2015-16 the numbers of Independent Directors did not comprise at least 50% of the Board of Directors during the period from 1.4.2015 to 30.11.2015 and from 19.3.2016 to 31.3.2016, when an executive director is the chairman of the Board as required under the above Listing Agreement/ Regulations.

We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

**For and on behalf of**

**A. KAYES & CO.**  
Chartered Accountants  
FRN 311149E

**CA. A K GHOSH**  
Partner  
(MRN 052933)

**Place : Kolkata**  
**Date: 30th May, 2016**



## ANNEXURE-VII TO THE DIRECTORS' REPORT

**MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2016**  
[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the  
Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To  
The Members  
Hindustan Copper Limited  
'Tamra Bhavan'  
1, Ashutosh Chowdhury Avenue  
Kolkata - 700 019

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Hindustan Copper Limited (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a) SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) SEBI (Prohibition of Insider Trading) Regulations, 2015;
  - c) SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 (Not applicable to the Company during the Audit Period);
  - d) SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (Not applicable to the Company during the Audit Period);
  - e) SEBI (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the Company during the Audit Period);
  - f) SEBI (Registrars to an Issue and Share Transfer Agents) Regulations, 1993.
  - g) SEBI (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during the Audit Period);
  - h) SEBI (Buyback of Securities) Regulations, 1998 (Not applicable to the Company during the Audit Period);
- (vi) Corporate Governance Guidelines issued by the Department of Public Enterprise vide their OM. No. 18(8)/2005- GM dated 14th May, 2010;
- (vii) Laws Specifically applicable to the industry to which the company belongs, as identified by the management, that is to say:



## ANNEXURE-VII TO THE DIRECTORS' REPORT (Contd.)

- a) The Mines Act, 1952
- b) Explosive Act, 1884 and Explosive Rules, 2008
- c) Mines & Minerals (Development & Regulation) Act, 1957
- d) The Metalliferous Mines Regulations, 1961
- e) Indian Forest Act, 1927

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements and SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, entered into by the Company with The BSE Ltd and National Stock Exchange of India Ltd.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that,

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors and Non-Executive Directors. All appointment was made in compliance of the provision of the Act. However, in the case of Independent Directors, the company did not have minimum required 50% Independent Director during the period from 01.04.2015 to 30.11.2015 and also from 19.03.2016 onwards till date as per the provisions of Listing Agreement / SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, since the Company is having an Executive Chairman and the matter has been referred to the Ministry of Mines, Government of India for filling of the vacant post.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda are sent as per the provisions of the Act, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**For N.K. & Associates**  
Company Secretaries

**Navin Kothari**  
Proprietor  
FCS No. 5935  
C P No.: 3725

Place: Kolkata  
Date: 17.05.2016

Note: This report is to be read with my letter of even date which is annexed as 'Annexure A' and forms an integral part of this report.



**ANNEXURE A TO SECRETARIAL AUDIT REPORT**

To  
The Members  
Hindustan Copper Limited  
'Tamra Bhavan'  
1, Ashutosh Chowdhury Avenue  
Kolkata - 700 019

My report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as are appropriate to obtain reasonable assurance about the correctness of the contents of Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the process and practices, I followed provide a reasonable basis for my opinion.
3. In view of financial records and books of accounts being subjected to audit by the Internal Auditor, Statutory Auditor, Cost Auditor and C&AG Auditor and relying on the reports submitted by the above agencies from time to time, I have not separately verified the financial records and books of accounts of the company.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules and regulations, standards is the responsibility of management. My examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**For N.K. & Associates**  
Company Secretaries

**Navin Kothari**  
Proprietor  
FCS No. 5935  
C P No.: 3725

Place: Kolkata  
Date: 17.05.2016



## **COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF HINDUSTAN COPPER LIMITED, KOLKATA FOR THE YEAR ENDED 31 MARCH 2016**

The preparation of financial statements of Hindustan Copper Limited for the year ended 31 March 2016 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The Statutory Auditor appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act is responsible for expressing opinion on these financial statements under Section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 30 May 2016.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 143(6)(a) of the Act of the financial statements of Hindustan Copper Limited for the year ended 31 March 2016. 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 Auditors' Report.

Place : Kolkata

Date : 23 June 2016

For and on behalf of the  
Comptroller & Auditor General of India

(Praveer Kumar)  
Principal Director of Commercial Audit  
& Ex-officio Member, Audit Board-I,  
Kolkata

# TEN YEARS AT A GLANCE



(₹ in lac)

YEAR	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07
<b>FOR THE YEAR</b>										
<b>Turnover</b>	106895	112749	161590	147527	163818	128128	142985	134910	183979	179964
<b>Gross Profit /(Loss)</b>	4682	8113	43297	40790	47448	33939	21933	1230	33051	36668
<b>Depreciation and</b>										
<b>Amortisation</b>	12033	11285	17414	15098	14406	9727	8104	7372	8189	8945
<b>Net Profit /(Loss)</b>	4356	6760	28642	35564	32346	22410	15468	(1031)	24646	31394
<b>Value Added</b>	72406	71578	116505	95385	114697	99195	70182	40206	72612	78108
<b>Value of production</b>	121020	121947	176557	177106	170421	140946	150604	134428	199124	190918
<b>AT THE YEAR END</b>										
<b>Share Capital</b>	46261	46261	46261	46261	46261	46261	46261	46261	46261	97745
<b>Internal Resources</b>	213748	206288	198993	179070	151400	127597	120069	102695	101588	19560
<b>Borrowings</b>	20715	-	-	-	-	-	-	-	11250	21250
<b>Cash credit from banks</b>	-	-	-	-	-	-	5	230	98	398
<b>Capital expenditure gross</b>	212928	174149	155190	142135	127855	122921	116923	111085	103706	99399
<b>Working Capital</b>	67903	79225	87638	82999	68585	52658	36501	36116	49206	32862
<b>Capital employed</b>	87900	99426	108817	103632	89502	73975	58464	57086	65748	50462
<b>Manpower (No.)</b>	3252	3676	4112	4498	4810	5100	5300	5440	5405	5451



## INDEPENDENT AUDITOR'S REPORT

---

### To the Members of Hindustan Copper Limited

#### Report on the Financial Statements

We have audited the accompanying financial statements of Hindustan Copper Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

#### Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, and its profit and its cash flows for the year ended on that date.

#### Emphasis of Matter

We draw attention to the following matters in the Note No 35 of General Notes on Accounts to the financial statements:

- 1) Vide Clause No. 1(i)(a) & (b) which describes the uncertainty related to the outcome of various lawsuits filed and claims of demand raised against the Company by various authorities/parties and its financial impact on the financial statements of the company. The Company has treated those demands as disputed and not acknowledged as debt in the books and treated the same as Contingent Liabilities, the total amount of which comes to ₹43526.66 Lac



## INDEPENDENT AUDITOR'S REPORT (Contd.)

- 2) Vide Clause No. 9 which describes the balances under the head Sundry Creditors, Claims Recoverable, Loans & Advances, Sundry Debtors and Deposits from and with various parties/Govt. Dept. etc. have not been confirmed in number of cases.
- 3) Vide Clause No. 30 which describes that domestic sales during the year have been reduced by ₹582.65 lac being rectification of sales of anode slime wrongly credited to the sales account in the preceding F.Y. 2014-15.

Our opinion is not modified in respect of these matters.

### Report on Other Legal and Regulatory Requirements

1. As required under the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure-I a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required under section 143(5) of the Act, we give in the Annexure-II a statement of our replies to the directions /additional directions issued by the Comptroller and Auditor General of India (C & AG)
3. As required under section 143(3) of the Act, we report, to the extent applicable, that:
  - (a) We have sought and 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 it appears from our examination of those books;
  - (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - (e) In our opinion, provisions under section 164(2) of the Act, regarding disqualification of Directors are not applicable to a Government company in terms of Notification No. G.S.R. 463(E) dated 05.06.2015 issued by Ministry of Corporate Affairs.
  - (f) With respect to the adequacy of internal financial control over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in the Annexure-III, and
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements (vide Clause No. 1(i) (a) of Note No. 35 of General Notes on Accounts) and our comments made in paragraph 'Emphasis of Matter'.
    - ii. The Company did not have any material foreseeable losses on long term contract including derivative contracts.
    - iii. According to the information and explanations given to us, there were no amounts which were required to be transferred to Investor Education and Protection Fund by the company.

Place: Kolkata  
Date : 30th May,2016

For A.Kayes & Co.  
Chartered Accountants.  
Firm Registration No. 311149E

**CA. A.K.GHOSH**  
Partner  
Membership No. 052933



## ANNEXURE - I TO THE INDEPENDENT AUDITOR'S REPORT (Contd.)

### (Referred to in our report of even date)

- (i) (a) The Company has generally maintained proper records showing full particulars including quantitative details and situation of its Fixed Assets.
- (b) Fixed Assets of the company have not been physically verified by the management during the year pursuant to company's accounting policies (Vide Clause No.3.6 of Note No. 2 of Significant Accounting Policies read with Clause No 28 of Note No. 35 of General Notes on Accounts) and as such, question of material discrepancies, if any, and its treatment in the books of account does not arise this year. However in terms of aforesaid policy, the fixed assets were last physically verified in the preceding financial year 2013-14.
- (c) The Company has taken steps to maintain Register of Land and Building (Immovable Property) showing the details of title deeds held in the name of the Company or otherwise including total number of such cases and whether the same are leasehold/freehold.

In the absence of complete maintenance of such Register, we could not comment whether title deeds of all the immovable properties are held in the name of the Company or otherwise

However, as stated in Clause No. 3 of Note No. 35 of General Notes on Accounts, the title deed for leasehold land received from the State Government and certain freehold lands acquired through nationalization in accordance with Indian Copper Corporation (Acquisition of Undertaking) Act, 1972 in respect of Indian Copper Complex (ICC) have not yet been executed in favour of the Company and in Clause No 6 of Note No 35 of General Notes on Accounts, title deeds were not obtained/held in the name of the company in respect of office flat at SCOPE Complex, Delhi and Jaipur office for book value of ₹73.32 Lac (Previous year ₹78.59 Lac) as well as Land & Building for book value of ₹6037.30 Lac (Previous year Nil ) of Gujarat Copper Project (GCP).

However, the amount of gross block and net block of immovable property as on the balance sheet date have been shown in the financial records.

- (ii) (a) According to the information and explanations given to us, the inventories of Finished Goods, Raw Materials and Store & Spares except those lying with contractors/ third parties have been physically verified by the management during the year. In our opinion, the periodicity of physical verification of inventory is reasonable. The company has noticed certain discrepancies on such verification of Store & Spares between the physical stock and book record, which were not material considering the size of the company and the nature of its business, and the same has been properly dealt with in the books of account.
- (iii) According to information and explanations given to us, the company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnership or other parties covered in the register maintained under section 189 of the Companies Act, 2013 and as such, reporting under this clause is not applicable to the Company.
- (iv) According to information and explanations given to us, the company has not advanced any loan, given any guarantee or provided any security in connection with such loan and given/made any loan/ investment within the meaning of section 185 and 186 of the Companies Act, 2013 and as such, reporting under this clause is not applicable to the Company.
- (v) According to the information and explanations given to us, the company has not accepted any deposit from the public within the meaning of Section 73 to 76 or any other relevant provision of the Companies Act, 2013 and the rules framed thereunder and as such, reporting under this clause is not applicable to the Company.
- (vi) According to the information and explanations given to us, maintenance of cost records by the Company has been specified by Central Government under sub section (1) of section 148 of the Companies Act, 2013. We have broadly reviewed such cost records and we are of the opinion that, prima facie, such accounts and records have been made and maintained.
- (vii) (a) According to the records of the Company and information and explanations given to us, the Company is generally regular in depositing undisputed statutory dues including provident fund, employee state insurance, income tax, sales tax, service tax, duty of custom, duty of excise, value added tax, Cess



## ANNEXURE - I TO THE INDEPENDENT AUDITOR'S REPORT (Contd.)

and other statutory dues with the appropriate authorities where applicable. There is no arrear of outstanding statutory dues as at 31st March 2016 for a period of more than six months from the date they became payable excepting ₹1019.46 Lac towards Water Cess payable to Water Resources Department, Govt. of Jharkhand since the financial year 1999-2000.

- (b) According to the records of the Company and information and explanations given to us, the following are the details of disputed dues in respect of income tax, sales tax, entry tax, service tax, duty of custom, duty of excise, value added tax and Cess as on 31st March 2016:

Name of the Statute	Nature of Dues	Period to which the amount relates	Forum where dispute is pending	Amount (₹ in lac)
West Bengal Value Added Tax Act,	State Sales Tax/ VAT	2004-05 * (RSOE)	Dy. Commissioner (Appeal)	10.46
West Bengal Value Added Tax Act,	State Sales Tax/ VAT	2006-07 * (RSOE)	FAST TRACK COURT BENCH-V	20.96
West Bengal Value Added Tax Act,	State Sales Tax/ VAT	2008-09 * (RSOE)	Sr. Jt. Commissioner (Appeal)	50.12
West Bengal Value Added Tax Act,	State Sales Tax/ VAT	2010-11 * (RSOE)	Additional Commissioner (Appeal)	4.73
Central Sales Tax Act	Central Sales Tax	2007.08 * (ICC)	Commissioner of Commercial Taxes, Jamshedpur	345.11
Central Excise Act	Central Excise	1985-86 * (ICC)	CESTAT	60.60
Central Excise Act	Central Excise	1997-98 TO 1999-00 * (ICC)	CESTAT	203.52
Central Excise	Central Excise	1995-96 * (ICC)	CESTAT	15.65
Central Excise Act	Central Excise	2000-01 TO 2003-2004 * (ICC)	CESTAT	1501.76
Central Excise Act	Central Excise	2000-2001 TO 2001-2002 * (ICC)	CESTAT	283.40
Central Excise Act	Central Excise	1996-97 * (ICC)	CESTAT	1.46
Central Excise Act	Central Excise	1998 * (ICC)	Supreme Court of India	16.00
Madhya Pradesh Value Added Tax Act,	Entry Tax	1994-95 * (MCP)	Commissioner (Appeals) Jabbalpur	5.38



## ANNEXURE - I TO THE INDEPENDENT AUDITOR'S REPORT (Contd.)

Madhya Pradesh Value Added Tax Act,	State Sales Tax/ VAT	2009-2010 * (MCP)	Sales tax Authority (Bhopal)	34.47
Madhya Pradesh Value Added Tax Act,	State Sales Tax/ VAT	2011-12 * (MCP)	Sales tax Authority (Bhopal)	16.66
Madhya Pradesh Value Added Tax Act,	State Sales Tax/ VAT	2012-13 * (MCP)	Sales tax Authority (Bhopal)	99.89
Central Excise Act	Central Excise	2006-07 TO 2011-12 * (MCP)	Customes, Excise & Service Tax Appalate Tribunal, New Delhi	394.97
Central Excise Act	Central Excise	2005-06 TO 2007-08 * (MCP)	Commissioner Central Excise	64.19
Central Excise Act	Central Excise	1998-99 TO 2014-15 * (KCC)	Commissioner Central Excise	1717.24
Central Sales Tax Act	State Sales Tax/ VAT	2007-08 * (KCC)	Rajasthan Tax Board,Ajmer	2.84
Rajasthan Value Added Tax Act,	Entry Tax	2007-08 TO 2014-15 *(KCC)	Dy.Commissioner Appeal (Bikaner)	311.67
Central Excise Act	Central Excise	2007-08 TO 2014-15 * (TCP)	CESTAT	538.35
Maharashtra Value Added Tax Act,	State Sales Tax/ VAT	1994-95 * (TCP)	Appellate Authority	18.81
Maharashtra Value Added Tax Act,	State Sales Tax/ VAT	2008-09 * (TCP)	Joint Commissioner, Sales Tax	51.17
Income Tax Act	Income Tax	2005-06, 2007-08,2009-10 & 2011-12 * (CO)	Commissioner of Income Tax (Appeal)	404.42
<b>GRAND TOTAL</b>				<b>6173.83</b>

\*RSOE - Regional Sales Office East, \*ICC - Indian Copper Complex \*MCP -Malanjkhhand Copper Project

\*TCP -Taloja Copper Project, \* KCC - Khetri Copper Complex, \*CO - Corporate Office

- (viii) According to information and explanations given to us, the Company has no due for repayment of loans or borrowings to financial institutions, banks or government and dues to debenture holders. However, the company has obtained term loan from Export Import Bank of India (EXIM Bank) during the year. The repayment of instalment of principal amount is not due in the year under audit and payment of interest thereon is being made regularly.



## ANNEXURE - I TO THE INDEPENDENT AUDITOR'S REPORT (Contd.)

- (ix) According to information and explanations given to us, the company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. However, the Company has obtained term loan from EXIM Bank and such term loan was applied for the purpose for which the same was raised.
- (x) According to information and explanations given to us, no fraud by the company or any fraud on the Company by its officers and employees has been noticed or reported during the year.
- (xi) According to the information and explanations given to us, provisions of section 197 of the Companies Act, 2013 regarding managerial remuneration are not applicable to the Government Company in terms of Notification No G.S.R. 463(E) dated 05.06.2015 issued by Ministry of Corporate Affairs and as such, reporting under this clause is not applicable to the Company.
- (xii) In our opinion and according to the information and explanations given to us, the company is not a Nidhi company and as such, reporting under this clause is not applicable to the Company.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Companies Act, 2013 where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards, where applicable.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year and as such, reporting under this clause is not applicable to the Company.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him/her and as such, reporting under this clause is not applicable to the Company.
- (xvi) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934 and as such, reporting under this clause is not applicable to the Company.

Place : Kolkata

Date: 30th May, 2016

**For A. Kayes & Co**  
Chartered Accountants  
Firm Registration No. 311149E

**CA. A.K.GHOSH**  
Partner  
Membership No. 052933



## ANNEXURE- II TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in our report of even date)

**Report pursuant to directions/additional company specific directions issued by office of the Comptroller and Auditor General of India (C& AG) under Section 143(5) of the Companies Act, 2013**

Sl No.	Directions	Actions Taken	Impact on the Accounts & Financial Statements
1.	Whether the company has clear/ title/ lease deeds for freehold land and leasehold land respectively? If not, please state the area of freehold and leasehold land for which title/lease deeds are not available?	In the absence of Register of Land showing details of freehold and leasehold land vis-à-vis title/lease deeds of those lands being reconciled with each other, we are unable to state the area of freehold and leasehold land for which title/lease deeds are not available with the Company. However, as stated in Clause No. 3 & 6 to Note No. 35 of General Notes on Accounts, leasehold land received from State Government as well as freehold land acquired through nationalization in accordance with Indian Copper Corporation (Acquisition of Undertaking) Act, 1972, in respect of Indian Copper Complex (ICC) and leasehold land of ₹3461.23 lac in respect of Gujarat Copper Project (GCP), have not yet been executed in favour of the Company.	Gross Block & Net Block of Leasehold/ Freehold Land, wherever applicable, have been duly shown in the accounts and financial statements. Hence there is no impact on the accounts and financial statements.
2.	Whether there are any cases of waiver / write off of debts/ loans/interest etc., if yes, the reasons there for and the amount involved.	According to the information and explanations given to us, there was no case of waiver of debts/loans/interest etc. during the year under audit.	No such cases, hence there is no impact on the accounts and financial statements.
3.	Whether proper records are maintained for inventories lying with third parties & assets received as gift from Government or other authorities.	Proper records are maintained for the inventories lying with third parties.  The company has not received any gift from Government or other authorities during the year.	Inventories of ₹1.64 lac as on 31.03.2016 are lying with third party and there is no impact on the accounts and financial statements.  No such cases, hence there is no impact on the accounts and financial statements.
<b>Additional Company Specific Directions</b>			
1.	Whether the accounting treatment of mine development expenditure in respect of open cast mines as well as underground mine is adequate?	The accounting treatment of mine development expenditure in respect of open cast mines as well as underground mine, in our opinion, is adequate as summarized below	Since the accounting treatment of mine development expenditure in respect of open cast mines as well as underground mine is adequate, there is no impact on the accounts and financial statements.



ANNEXURE- II TO THE INDEPENDENT AUDITOR'S REPORT (Contd.)

Sl No.	Directions	Actions Taken	Impact on the Accounts & Financial Statements
		<p><b>1. In respect of open cast mines:</b> The expenditure on removal of waste and overburden is capitalized and the same is amortized in relation to actual ore production during the year and the stripping ratio of the mine as determined by the company at the weighted average rate. Subsequently, if any ore is reclaimed from overburden, the same is valued on the basis of opening rate of mine development expenditure.</p> <p><b>2. In case of underground mines:</b> The expenditure on development of a new mine in all cases and on subsequent development of a working mine is capitalized and amortized on the basis of ore raised during the year and the mineable ore reserves estimated from time to time. The ore obtained during development activity is adjusted against such expenditure at its derived realizable value.</p>	

Place : Kolkata  
Date: 30th May,2016

For A. Kayes & Co  
Chartered Accountants  
Firm Registration No. 311149E

CA.A.K.GHOSH  
Partner  
Membership No. 052933



## ANNEXURE- III TO THE INDEPENDENT AUDITOR'S REPORT (Contd.)

---

**(Referred to in our report of even date)**

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of Hindustan Copper Limited ("the Company") as of 31st March 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements



## ANNEXURE- III TO THE INDEPENDENT AUDITOR'S REPORT (Contd.)

---

in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Company has in place, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**Place : Kolkata**  
**Date: 30th May,2016**

**For A. Kayes & Co**  
Chartered Accountants  
Firm Registration No. 311149E

**CA.A.K.GHOSH**  
Partner  
Membership No. 052933



## BALANCE SHEET AS AT 31<sup>st</sup> MARCH 2016

(₹ in lac)

PARTICULARS	Note No.	As at 31st March, 2016	As at 31st March, 2015
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) SHAREHOLDERS' FUNDS</b>			
(a) Share Capital	3	46260.90	46260.90
(b) Reserves and Surplus	4	145077.63	139892.24
(c) Money received against share warrants	5	—	—
<b>(2) SHARE APPLICATION MONEY PENDING ALLOTMENT</b>	6	—	—
<b>(3) NON-CURRENT LIABILITIES</b>			
(a) Long Term Borrowings	7	20715.26	—
(b) Deferred Tax Liabilities (net)	8	—	—
(c) Other Long Term Liabilities	9	2273.50	1998.83
(d) Long Term Provisions	10	8891.66	7965.34
<b>(4) CURRENT LIABILITIES</b>			
(a) Short Term Borrowings	11	—	—
(b) Trade Payables	12	15058.90	10434.15
(c) Other Current Liabilities	13	15385.61	11918.05
(d) Short Term Provisions	14	681.14	2153.27
<b>TOTAL</b>		<b>254344.60</b>	<b>220622.78</b>
<b>II. ASSETS</b>			
<b>(1) NON-CURRENT ASSETS</b>			
(a) Fixed Assets			
(i) Tangible Assets	15.1	19997.34	20201.24
(ii) Intangible Assets	15.2	—	—
(iii) Capital Work In Progress	15.3	40569.38	13226.44
(b) Mine Development Expenditure	16	81188.48	71907.21
(c) Non Current Investments	17	—	—
(d) Deferred Tax Assets (net)	8	7650.72	5668.38
(e) Long-Term Loans and Advances	18	5909.96	5889.27
(f) Other Non-Current Assets	19	—	—
<b>(2) CURRENT ASSETS</b>			
(a) Current Investments	20	7581.13	7108.24
(b) Inventories	21	51723.09	44244.63
(c) Trade Receivables	22	5733.14	8522.15
(d) Cash and Cash Equivalents	23	24031.42	25176.51
(e) Short-term Loans and Advances	24	5927.67	15465.22
(f) Other Current Assets	25	4032.27	3213.49
<b>TOTAL</b>		<b>254344.60</b>	<b>220622.78</b>

Corporate Information	1
Significant Accounting Policies	2
General Notes on Accounts	35

The notes referred to above form an integral part of the Balance sheet

### For and on behalf of the Board of Directors

**C.S.Singhi**  
Company Secretary  
(M No. FCS 2570)

**V. V.VENUGOPAL RAO**  
Director (Finance)  
(DIN : 02950920)

**K D Diwan**  
Chairman-cum-Managing Director  
(DIN : 01829545)

**In terms of our report of even date attached.**

**For A.KAYES & CO.**

**FRN 311149E**

Chartered Accountants

**CA. A.K. GHOSH**  
(M RN 052933)  
Partner

Place : Kolkata  
Dated : 30th May, 2016



# STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2016

(₹ in lac)

PARTICULARS	Note No.	For the year ended 31st March, 2016	For the year ended 31st March, 2015
<b>I. Revenue from Operations (Gross)</b>	26	107187.57	113636.73
Less : Excise Duty		10311.76	12082.21
Revenue from Operations (Net)		96875.81	101554.52
<b>II. Other Income</b>	27	4876.62	6689.77
<b>III. TOTAL REVENUE</b>		<b>101752.43</b>	<b>108244.29</b>
<b>IV. EXPENSES</b>			
Cost of Materials Consumed	28	4541.48	3064.49
Changes in Inventories of Finished Goods, Semi-Finished and In-Process	29	(8720.97)	(1436.79)
Employee Benefits Expense	30	31939.78	32962.98
Finance Cost	31	144.09	68.29
Depreciation and Amortisation Expense	32	12033.28	11285.11
General, Administration and Other Expenses	33	57277.30	54255.39
<b>TOTAL EXPENSES</b>		<b>97214.96</b>	<b>100199.47</b>
<b>V. PROFIT BEFORE EXCEPTIONAL AND EXTRAORDINARY ITEMS AND TAX</b>		<b>4537.47</b>	<b>8044.82</b>
<b>VI. Exceptional items</b>		—	—
<b>VII. PROFIT BEFORE EXTRAORDINARY ITEMS AND TAX</b>		<b>4537.47</b>	<b>8044.82</b>
<b>VIII. Extraordinary items</b>		—	—
<b>IX. PROFIT BEFORE TAX</b>		<b>4537.47</b>	<b>8044.82</b>
<b>X. TAX EXPENSES</b>	34		
(1) Current Tax		2164.00	3163.04
(2) Deferred Tax		(1982.34)	(1878.06)
<b>TOTAL TAX EXPENSES</b>		181.66	1284.98
<b>XI. PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS</b>		<b>4355.81</b>	<b>6759.84</b>
<b>XII. Profit from discontinuing operations</b>		—	—
<b>XIII. Tax expense of discontinuing operations</b>		—	—
<b>XIV. PROFIT FROM DISCONTINUING OPERATIONS AFTER TAX</b>		—	—
<b>XV. PROFIT FOR THE YEAR</b>		<b>4355.81</b>	<b>6759.84</b>
<b>XVI. Earning per share (Equity shares, face value of ₹5/- each)</b>			
(1) <b>BASIC</b>		<b>0.47</b>	<b>0.73</b>
(2) <b>DILUTED</b>		<b>0.47</b>	<b>0.73</b>
Corporate Information	1		
Significant Accounting Policies	2		
General Notes on Accounts	35		

The notes referred to above form an integral part of the Statement of Profit & Loss.

For and on behalf of the Board of Directors

**C.S.Singhi**  
Company Secretary  
(M No. FCS 2570)

**V. V.VENUGOPAL RAO**  
Director (Finance)  
(DIN : 02950920)

**K D Diwan**  
Chairman-cum-Managing Director  
(DIN : 01829545)

In terms of our report of even date attached.  
For **A.KAYES & CO.**  
**FRN 311149E**  
Chartered Accountants

**CA. A.K. GHOSH**  
(M RN 052933)  
Partner

Place : Kolkata  
Dated : 30th May, 2016



## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2016

(₹ in lac)

	For the year ended 31st March 2016	For the year ended 31st March 2015
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
<b>NET PROFIT/ (LOSS) BEFORE TAX AS PER PROFIT AND LOSS ACCOUNT</b>	<b>4537.47</b>	<b>8044.82</b>
Adjusted for :		
Depreciation	1599.88	2084.43
Provisions charged	618.94	654.52
Provisions written back	(311.24)	(306.21)
Interest expense	144.09	68.29
Amortisation	10433.40	9311.93
Interest income	(2702.07)	(4409.31)
Dividend income	(316.69)	(375.68)
Transfer from Special reserve	(0.12)	(0.12)
Loss / (Profit) on disposal of fixed assets	(40.45)	(9.23)
<b>OPERATING PROFIT/ (LOSS) BEFORE WORKING CAPITAL CHANGES</b>	<b>13963.21</b>	<b>15063.44</b>
Adjusted for :		
Decrease/ (Increase) in Trade & other Receivables	2378.25	11263.39
Decrease/ (Increase) in Inventories	(6292.39)	41.48
Decrease/ (Increase) in Loans, Advances and Other Current assets	8916.49	(5441.36)
Increase/ (Decrease) in Trade Payables & Provisions	8578.11	9413.15
<b>CASH GENERATED FROM OPERATIONS</b>	<b>27543.67</b>	<b>30340.10</b>
Taxes paid	(1687.72)	(6592.68)
<b>NET CASH FROM OPERATING ACTIVITIES (A)</b>	<b>25855.95</b>	<b>23747.42</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Purchase of Fixed Assets	(28650.04)	(15591.10)
Sale of Fixed Assets	56.93	34.07
Interest received	2449.25	5119.83
Dividend received	316.69	375.68
Sale of / (Investment in) Mutual Funds	300.94	12175.68
Mine Development Expenditure	(18886.53)	(23015.32)
<b>NET CASH USED IN INVESTING ACTIVITIES (B)</b>	<b>(44412.76)</b>	<b>(20901.16)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Long Term borrowings	20000.00	-
Dividends paid	(1387.83)	(9252.18)
Tax on Dividend	(282.53)	(1572.41)
Interest paid	(144.09)	(68.29)
<b>NET CASH USED IN FINANCING ACTIVITIES (C)</b>	<b>18185.55</b>	<b>(10892.88)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>(371.26)</b>	<b>(8046.62)</b>
<b>CASH AND CASH EQUIVALENTS - opening balance</b>	<b>31983.81</b>	<b>40030.43</b>
<b>CASH AND CASH EQUIVALENTS - closing balance</b>	<b>31612.55</b>	<b>31983.81</b>

( details in Annexure - A )

For and on behalf of the Board of Directors

**C.S.Singhi**  
Company Secretary  
(M No. FCS 2570)

**V V Venugopal Rao**  
Director (Finance)  
( DIN : 02950920)

**K D Diwan**  
Chairman-cum-Managing Director  
( DIN : 01829545)

**Place : Kolkata**  
**Date: 30th May,2016**



# CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2016

## ANNEXURE - A

(₹ in lac)

### 1. CASH AND CASH EQUIVALENTS INCLUDE

#### - Opening Balance

	<u>01/04/2015</u>	<u>01/04/2014</u>
i) Cash & Bank balance	25176.51	30493.81
ii) Cash Credit balance	-	0.00
iii) Investments in Mutual Funds (with maturity within 3 months from the date of original investment)	6807.30	9536.62
	<u>31983.81</u>	<u>40030.43</u>

### CASH AND CASH EQUIVALENTS INCLUDE

#### - Closing Balance

	<u>31/03/2016</u>	<u>31/03/2015</u>
i) Cash & Bank balance	24031.42	25176.51
ii) Cash Credit balance	0.00	0.00
iii) Investments in Mutual Funds (with maturity within 3 months from the date of original investment)	7581.13	6807.30
	<u>31612.55</u>	<u>31983.81</u>

2. The Cash Flow Statement has been prepared under the 'Indirect Method' as set out in Accounting Standard on Cash Flow Statement (AS-3) issued by The Institute of Chartered Accountants of India.

In terms of our report of even date attached.

**For A Kayes & Co.**  
**Chartered Accountants**  
**FRN 311149E**

**CA.A.K.GHOSH**  
**Partner**  
**(MRN 052933)**

Place : Kolkata  
Dated : 30th May, 2016



## NOTES FORMING PART OF THE ACCOUNTS

---

### CORPORATE INFORMATION

1. Hindustan Copper Limited is a public limited company domiciled in India and earlier incorporated under the provisions of Companies Act, 1956 now governed by Companies Act 2013. Its Shares are listed and traded on Stock Exchanges in India. The company is engaged in exploration, exploitation, mining of copper and copper ore including beneficiation of minerals, smelting and refining.

### 2. SIGNIFICANT ACCOUNTING POLICIES

#### 1. BASIS OF ACCOUNTING:

The financial statements are prepared under historical cost convention from the books of account maintained under accrual basis and in accordance with the Accounting Standards prescribed under Companies Act, 2013.

#### 2. USE OF ESTIMATES :

Financial statements have been prepared based on in-house technical estimates in respect of the following :

- Allocation of service shaft expenses, underground mining expenditure between revenue and capital.
- Metal content in raw materials, WIP and finished goods.
- Credit of anode scrap generation in refinery plants.
- Mineable ore reserves in underground mines.
- Stripping ratio in open cast mines.

#### 3.3 FIXED ASSETS :

- 3.1 Tangible fixed assets are recorded at cost net off of CENVAT and VAT credit wherever applicable less accumulated depreciation and impairment loss if any. Pursuant to Schedule-II of the Companies Act 2013, significant components of the fixed assets with cost comprising 10% or more of the cost of the main assets with or without different useful life of the main assets, as assessed by the Technical Committees of the company, are recorded separately.
- 3.2 Fixed assets (Intangible) other than software are valued at acquisition cost less accumulated amortization. However, software which are considered as Intangible Assets are fully amortized in the year in which the expenses are incurred.
- 3.3 Pending reconciliation/receipt of the final bills against capital items, capitalization is done on the basis of cost booked and depreciation is charged accordingly. Price differences, if any, are adjusted in the year of finalization of bills.
- 3.4 In respect of expenditure during construction/development of a new unit/project in a new location, all direct capital expenditure as well as all indirect expenditure incidental to construction are capitalized allocating to various items of fixed assets on an appropriate basis. Expansion programme involving construction concurrently run with normal production activities in an existing unit, all direct capital expenditure in relation to such expansion are capitalized but indirect expenditure are charged to revenue. Borrowing costs that are attributable to the acquisition or construction of qualifying asset are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use.
- 3.5 Expenses incurred for implementation of new projects are carried forward against respective projects till execution. Expenses rendered in fruituous projects abandoned subsequently are provided for in the Statement of Profit & Loss.
- 3.6 Physical verification of Tangible fixed assets is carried out once in every three years. Shortage/excess, if any, is provided for in the year of identification.



## NOTES FORMING PART OF THE ACCOUNTS (Contd.)

### 4. DEPRECIATION :

Depreciation on tangible fixed asset and significant components thereof with cost comprising 10% or more of the cost of the main assets is provided on straight line method with reference to the useful life of fixed assets prescribed in Part C of Schedule II to the Companies Act, 2013 or actual useful life of assets assessed by the Technical Committee of the company, whichever is lower. Depreciation on assets acquired prior to 01.04.93 is charged on derived rates by allocating the unamortized value over the remaining life of the asset arrived at. Depreciation in respect of plant & machinery and building of new project is charged from the date of start of commercial production. Software considered as Intangible Assets and are fully amortized in the year in which the expenses are incurred. Assets costing ₹5000.00 or less individually are depreciated fully in the year in which they are put to use.

### 5. INVESTMENTS :

- 5.1 Current investments are individually valued at lower of cost or fair market value at the end of the accounting period.
- 5.2 Long term investments (Non-current ) are valued at cost. Provision for diminution is made to recognize a decline, other than temporary nature, in the value of investments.

### 6. GRANTS-IN-AID :

Fixed assets acquired out of funds provided by the Government by way of grants-in-aid are stated in the books at cost less accumulated depreciation and special reserve created for the same is apportioned over the life of the assets by transfer to Statement of Profit & Loss.

### 7. IMPAIRMENT OF ASSETS :

The Company reviews the carrying amount of its fixed assets, whenever circumstances indicate that the carrying amount of the asset is less than the realizable value. The Company assesses recoverability of the carrying value of the assets by grouping assets of entire plant as Cash Generating Unit (CGU). The Company then estimates the discounted future cash flows expected to result from CGU. If the estimated discounted future cash flow expected to result from the use of the asset are less than its carrying amount, the asset is deemed to be impaired. The amount of impairment is measured as the difference between the carrying value and fair market value.

### 8. MINE DEVELOPMENT EXPENDITURE :

- 8.1 **In case of underground mines :** The expenditure on development of a new mine in all cases and on subsequent development of a working mine is capitalized and amortized on the basis of ore raised during the year and the mineable ore reserves estimated from time to time. The ore obtained during development activity is adjusted against such expenditure at its derived realizable value.
- 8.2 **In case of working mines, where development activities are going on simultaneously :** Expenses are apportioned between capital and revenue on the basis of in-house technical estimates.
- 8.3 **In respect of open cast mines :** The expenditure on removal of waste and overburden, is capitalized and the same is amortized in relation to actual ore production during the year and the stripping ratio of the mine as determined by the company at the weighted average rate. Subsequently, if any ore is reclaimed from overburden, the same is valued on the basis of opening rate of mine development expenditure.
- 8.4 Expenditure incurred on exploration of new deposits is included in mine development expenditure. If subsequently the exploration activities are found to be not viable, the expenditure on such exploratory work included in mine development expenditure is written off in the year in which it is decided to abandon the project.
- 8.5 If a working mine is closed due to economic reasons, the unamortized Mine Development Expenditure related to that mine is provided in the books of accounts in the year in which it is decided to close or suspend operation of the mine. If later on, the closed / suspended mines are re-opened and the company remains the owner of the mines, the unamortized Mine Development Expenditure which was fully



## NOTES FORMING PART OF THE ACCOUNTS (*Contd.*)

---

provided in the year of closure will be written back in the books of accounts in the year of re-opening and the company will be charging amortization year wise based on the estimated remaining life of that mine.

### **9. MAJOR OVERHAULING EXPENSES :**

Only revenue expenditure attributable to major overhaul of smelter and/ or refinery is charged off to the Statement of Profit & Loss in the year of incurrence.

### **10. Mine Closure Expenditure :**

Financial implications towards final mine closure plans under relevant Acts and Rules are technically estimated and the involvement, not being material, are charged off on actual incurrence.

### **11. INVENTORIES :**

- 11.1 Stocks of stores and spare parts, loose tools and materials-in-transit are valued at the lower of the net realizable value and cost. The raw materials are also valued at the lower of the net realizable value and weighted average cost to the unit if the finished goods in which they will be incorporated are expected to be sold below cost. Loose tools when issued are charged off to revenue.
- 11.2 Finished goods and work-in-process are valued at the lower of the net realizable value and weighted average cost to the unit. The cost is exclusive of financing cost, such as, interest, bank charges, administration overhead, etc. The value of slag under work-in-process is taken at equivalent value to the extent credited to the process, where the said products have been generated. The reverts under work- in-process are valued at lower of cost (equivalent value of concentrate) and net realizable value.
- 11.3 The stock of anode slime arising from treatment and refining processes are stated at realizable value based on the year end London Metal Exchange price for gold and silver after making due adjustments of their physical recovery and the treatment and refining charges.
- 11.4 Liability for excise duty on finished goods in stock lying at works or warehouses is provided in the accounts and also considered in stock valuation.
- 11.5 The inventories out of inter-unit transfers at the close of the year are valued on the basis of cost or net realizable value whichever is lower to the transferor unit. No adjustment is made in respect of difference between the cost and transfer price for such transferred products in case of partly processed materials lying at various stages of production and finished stocks at the end of the year, since this is not practically ascertainable.
- 11.6 Imported materials are valued at the lower of the net realizable value and weighted average cost. In the event where final price is not determined valuation is made on provisional cost. Variations are accounted for in the year of finalization.
- 11.7 Provision is made in the accounts every year, for non-moving stores and spares (other than insurance spares) which have not moved for more than five years. Insurance spares are fully provided for on the expiry of the life of the relevant Plant & Machinery.
- 11.8 Scrap sales are accounted for on delivery of material.

### **12. CORPORATE SOCIAL RESPONSIBILITY (CSR) :**

In compliance with Section 135 of the Companies Act 2013, a CSR Committee has been formed by the company. The area of CSR activities envisaged are drinking water, health, sanitation, education, vocational skills, environment and animal welfare, livelihood and sports and rural development projects which are specified in Schedule VII of the Companies Act 2013. The funds are primarily allocated and utilized throughout the year on these activities through approved trusts / societies as well as directly under the auspices of the company.



## NOTES FORMING PART OF THE ACCOUNTS (Contd.)

### 13. REVENUE RECOGNITION

#### 13.1 SALES :

13.1.1 Sales are net of discounts other than cash discounts.

13.1.2 In case of sale of Copper Concentrate, Copper Reverts, Anode Slime etc. and tolling of Copper Concentrate of Khetri and Malanjkhand origin, sales / tolling at the end of the accounting period are recorded on provisional basis as per standard parameters for want of actual specifications and differential sales value are recorded only on receipt of actual.

#### 13.2 OTHER INCOME :

##### 13.2.1 Claims :

Claims on account of liquidated damages and insurance are accounted for as and when these are realized and/or considered recoverable by the company.

##### 13.2.2 Conversion charges :

Income from conversion of job work is accounted for on the basis of actual quantity despatched.

##### 13.3.3 Interest on L/C bills :

Interest up to the date of Balance Sheet on all outstanding bills is accounted for on accrual basis.

### 14. FOREIGN EXCHANGE TRANSACTIONS:

- 14.1 Transactions in foreign currency on initial recognition in the reporting currency are recorded at the rate of exchange prevailing on the date of transaction.
- 14.2 Monetary items denominated in foreign currencies at the year end are translated at the year end rates. In case of items which are covered by forward exchange contracts, the difference between the year end rate and rate on the date of the contract is recognized as exchange difference and the premium paid on forward contracts is recognized over the life of the contract.
- 14.3 Non-monetary items are translated using the exchange rates prevailing on the date of the transaction or on the date when the fair value of such item was determined.
- 14.4 Exchange differences arising on settlement of monetary items or on reporting of monetary items at rates different from those at which they were initially recorded during the period or reported in previous financial statements are recognized as income or expense in the period in which they arise and adjusted to the Statement of Profit & Loss except in respect of non-current liabilities/non-current foreign currency monetary items, related to acquisition of depreciable Fixed asset/ Capital work in progress in which case, these are adjusted to the carrying cost of respective Fixed Asset/ Capital work in progress.
- 14.5 The Company has elected to account for exchange differences arising on reporting of Long-term foreign currency monetary items in accordance with Companies (Accounting Standards) Amendment Rules, 2009 pertaining to Accounting Standard 11 (AS-11) notified by Government of India on 31st March, 2009 (as amended on 29th December, 2011). Accordingly, the effect of exchange differences on foreign currency loans of the Company is accounted by addition or deduction to the cost of the assets so far it relates to depreciable capital assets and shall be depreciated over the balance life of the asset and in other cases by transfer to "Foreign Currency Monetary Item Translation Difference Account" to be written off over the useful life of the assets / amortized over the balance period of the long-term monetary items (assets or liability) by recognition as income or expense in each of such periods."

### 15. RETIREMENT BENEFITS:

#### 15.1. Gratuity, Leave encashment and Leave Travel Concession:

Liabilities towards gratuity leave encashment for all employees and leave travel concession for non-executive employees as at the end of the year are provided for on the basis of actuarial valuation.

The actuarial gains / losses in respect of "Employee Benefit Plans" are recognized in the Statement of Profit & Loss.



## NOTES FORMING PART OF THE ACCOUNTS (Contd.)

### 15.2. Deficit in Provident Fund:

Deficit, if any, in the accounts of Provident Fund Trust ascertained on the basis of last audited accounts of the Trust is accounted for as a charge to Revenue.

### 15.3 Voluntary Retirement Expenses :

#### 15.3.1 Paid out of own fund :

Voluntary Retirement expenditure incurred by the company is charged to revenue in the year of incurrence in accordance with Accounting Standard -15.

#### 15.3.2 Paid out of Government Grant :

Voluntary Retirement Expenditure is adjusted against Government Grant received for this purpose.

## 16. BORROWING COST :

Borrowing costs to include interest, commitment charges, commission, amortisation of ancillary costs, amortisation of discounts/ premium related to borrowing, finance charges in respect of assets acquired on finance lease and exchange differences arising from foreign currency borrowings, to the extent they are regarded as an adjustment to interest costs.

Interest/ finance cost on loans specifically borrowed for new and expansion projects upto the start of commercial production is charged to the capital cost of the projects concerned. All other borrowings cost are charged to revenue.

## 17. ACCOUNTING FOR TAXES ON INCOME:

Income Tax Expense comprises current tax and deferred tax charge. Deferred Tax is recognized on timing differences, being the difference between Taxable Income and Accounting Income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred Tax assets are recognized only if there is virtual certainty that sufficient future taxable income will be available against which deferred tax assets will be realized. Such balances of Deferred Tax Assets are reviewed at Balance Sheet Date every year to reassess the realisability thereof.

## 18. PROVISIONS AND CONTINGENT LIABILITIES:

A provision is recognized if as a result of past event / occurrence the company has a present legal obligation that could be reliably estimated and it is probable that an outflow of economic benefits will be necessitated to settle such obligation. Provisions are determined by the reasonable and reliable estimate of the outflow of economic benefits required to settle such obligation as on the Balance Sheet date.

Wherever no reliable estimate could be made, a disclosure is made as contingent liability. A disclosure for a contingent liability is also made when there is a possible obligation or a present obligation that may but probably will not require an outflow of resources.

When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent Liabilities are disclosed in the General Notes forming part of the accounts.

## 19. EVENTS OCCURRING AFTER THE BALANCE SHEET DATE :

Assets and Liabilities are adjusted for significant events occurring after the Balance Sheet date that provide additional evidences to assist the estimation of accounts relating to conditions existing at the Balance Sheet date.

## 20. PRIOR PERIOD AND EXTRA ORDINARY ITEMS:

The nature and amount of prior period items and extra-ordinary items are separately disclosed in the Statement of Profit & Loss in a manner that their impact on the Profit & Loss can be perceived. However, each prior period item of ₹50,000.00 and below are charged to natural heads of accounts.

## 21. RESEARCH AND DEVELOPMENT EXPENDITURE :

Expenditure on research and development is charged off to the Statement of Profit & Loss in the year it is incurred. Expenditure on fixed assets in this regard, if any, is capitalized.



(₹ in lac)

## NOTES FORMING PART OF THE BALANCE SHEET

### Note No. 3 SHARE CAPITAL

PARTICULARS	As at 31st March, 2016		As at 31st March, 2015	
	In No.	(₹ in lac)	In No.	(₹ in lac)
<b>a) AUTHORISED SHARE CAPITAL</b>				
- Equity Share Capital	1800000000	90000.00	1800000000	90000.00
- 7.50% Non-Cum. Redeemable Preference Shares	2000000	20000.00	2000000	20000.00
<b>b) PAR VALUE PER EQUITY SHARE (in ₹)</b>		5.00		5.00
<b>c) PAR VALUE PER PREFERENCE SHARE (in ₹)</b>		1000.00		1000.00
<b>d) NO. OF SHARES ISSUED, SUBSCRIBED AND FULLY PAID UP</b>				
- Equity Share Capital	925218000	46260.90	925218000	46260.90
<b>TOTAL</b>		<b>46260.90</b>		<b>46260.90</b>
<b>e) RECONCILIATION OF NO. OF SHARES &amp; SHARE CAPITAL OUTSTANDING:</b>				
	No. of Shares	(₹ in lac)	No. of Shares	(₹ in lac)
<b>OUTSTANDING AS ON 01.04.2015</b>	925218000	46260.90	925218000	46260.90
Add: No. of shares/Share Capital issued/ subscribed during the year	—	—	—	—
Less: Reduction in no. of shares/Share Capital	—	—	—	—
<b>OUTSTANDING AS ON 31.03.2016</b>	925218000	46260.90	925218000	46260.90
<b>f) TERMS/RIGHTS ATTACHED TO EQUITY SHARES</b>				
	The Company has only one class of Equity Shares having par value of ₹5/- each and is entitled to one vote per share.			
<b>g) SHARES IN THE COMPANY HELD BY EACH SHAREHOLDER HOLDING MORE THAN 5 PERCENT OF THE NUMBER OF SHARES</b>	In No.	In (%)	In No.	In (%)
- President of India	832218459	89.95%	832218459	89.95%
- Life Insurance Corporation of India	48778782	5.27%	48319178	5.22%



## NOTES FORMING PART OF THE BALANCE SHEET (Contd.)

### Note No. 4 RESERVES AND SURPLUS

(₹ in lac)

	<b>As at</b>		<b>As at</b>	
	<b>31st March, 2016</b>		<b>31st March, 2015</b>	
<b>a) CAPITAL RESERVE</b>				
AS PER LAST BALANCE SHEET	21166.23		21166.23	
Add: Transfer from Surplus				
Add: Additions during the year	987.81		—	
AS AT BALANCE SHEET DATE		22154.04		21166.23
<b>b) SPECIAL RESERVE FOR S &amp; T ASSETS</b>				
AS PER LAST BALANCE SHEET	7.51		7.63	
Less: Transfer to Surplus	0.12		0.12	
AS AT BALANCE SHEET DATE		7.39		7.51
<b>c) GENERAL RESERVE</b>				
AS PER LAST BALANCE SHEET	8958.58		8958.58	
Add: Transfer from Surplus	—		—	
AS AT BALANCE SHEET DATE		8958.58		8958.58
<b>d) CORPORATE SOCIAL RESPONSIBILITY FUND</b>				
AS PER LAST BALANCE SHEET	524.69		607.46	
Add: During the year	—		—	
Less: Amount reversed during the year	—		—	
Less: Amount used during the year	158.11	366.58	82.77	524.69
AS AT BALANCE SHEET DATE				
<b>e) SURPLUS *</b>		113591.04		109235.23
<b>TOTAL</b>		<b>145077.63</b>		<b>139892.24</b>
<b>DETAILS OF SURPLUS *</b>				
Profit for the year as per Statement of Profit and Loss		4355.81		6759.84
Balance brought forward		109235.23		105926.21
<b>BALANCE AVAILABLE FOR APPROPRIATION</b>		<b>113591.04</b>		<b>112686.05</b>
i) Transfer to General Reserve		—		—
ii) Dividend :		—		—
- Interim		—		1387.83
- Final		—		—
iii) Tax on Dividend		—		—
- Interim		—		—
- Final		—		282.53
(iv) Depreciation charged from Retained Earning		—		1780.46
<b>BALANCE CARRIED FORWARD</b>		<b>113591.04</b>		<b>109235.23</b>

### Note No. 5 MONEY RECEIVED AGAINST SHARE WARRANTY

#### a) MONEY RECEIVED AGAINST SHARE WARRANTS

- Equity Shares

**TOTAL**

—	—
—	—



# NOTES FORMING PART OF THE BALANCE SHEET (Contd.)

## Note No. 6 SHARE APPLICATION

### MONEY PENDING ALLOTMENT

(₹ in lac)

	As at 31st March, 2016	As at 31st March, 2015
a) SHARE APPLICATION MONEY PENDING ALLOTMENT		
- Equity Shares	—	—
<b>TOTAL</b>	<b>—</b>	<b>—</b>

## Note No. 7 LONG TERM BORROWINGS

### a) BONDS/ DEBENTURES

- Secured	—	—
- Unsecured	—	—

### b) TERM LOANS

• From Banks/ FIs		
- Secured	20715.26	—
Unsecured	—	—

<b>TOTAL</b>	<b>20715.26</b>	<b>—</b>
--------------	-----------------	----------

Aggregate amount of loans guaranteed by directors ₹Nil ₹Nil

Aggregate amount of loans guaranteed by Others-Government of India ₹Nil ₹Nil

Amount of default in repayment of loans and interest as at 31.03.2016 ₹Nil ₹Nil

Period of default in repayment of loans and interest as at 31.03.2016 Nil Nil

## Note No. 8 DEFERRED TAX LIABILITIES / ASSETS

### i) DEFERRED TAX ASSET

OPENING BALANCE	9509.59	8158.45
Charge during the year	1344.13	1351.14
<b>CLOSING BALANCE</b>	<b>10853.72</b>	<b>9509.59</b>

### ii) DEFERRED TAX LIABILITY

OPENING BALANCE	(3841.22)	(4368.14)
Credit during the year	638.22	526.92
<b>CLOSING BALANCE</b>	<b>(3203.00)</b>	<b>(3841.22)</b>

<b>i) - ii) DEFERRED TAX ASSETS / (LIABILITIES) (Net)</b>	<b>7650.72</b>	<b>5668.38</b>
---	----------------	----------------

## Note No. 9 OTHERS LONG TERM LIABILITIES

i) Total outstanding dues of micro enterprises and small enterprises — —

ii) Total outstanding dues of creditors other than micro enterprises and small enterprises — —

### b) OTHERS

i) Deposits/ Retention money 2273.50 1998.83

<b>TOTAL</b>	<b>2273.50</b>	<b>1998.83</b>
--------------	----------------	----------------

## Note No. 10 LONG TERM PROVISIONS

### a) PROVISION FOR EMPLOYEE BENEFITS

#### i) PROVIISON FOR LEAVE ENCASHMENT

AS PER LAST BALANCE SHEET	8811.22	7855.29
Additions during the year	830.70	955.93
Amount used during the year	—	—
<b>CLOSING BALANCE</b>	<b>9641.92</b>	<b>8811.22</b>

#### ii) PROVISION FOR GRATUITY

AS PER LAST BALANCE SHEET	(845.88)	(4424.82)
Additions during the year	2095.62	3578.94
Amount used during the year	2000.00	—
<b>CLOSING BALANCE</b>	<b>(750.26)</b>	<b>(845.88)</b>

<b>TOTAL</b>	<b>8891.66</b>	<b>7965.34</b>
--------------	----------------	----------------



## NOTES FORMING PART OF THE BALANCE SHEET (Contd.)

### Note No. 11 SHORT TERM BORROWINGS

(₹ in lac)

	As at 31st March, 2016	As at 31st March, 2015
<b>a) SHORT TERM LOANS</b>		
• From Banks/ FIs		
• Secured (Secured by hypothecation of Stock-in-Trade, Stores & Spare Parts and Book Debts, both present and future of the Company)	—	—
• Unsecured	—	—
<b>TOTAL</b>	<b>—</b>	<b>—</b>
Aggregate amount of loans guaranteed by directors	₹Nil	₹Nil
Aggregate amount of loans guaranteed by Others - Government of India	₹Nil	₹Nil
Amount of default in repayment of loans and interest as at 31.03.2016	₹Nil	₹Nil
Period of default in repayment of loans and interest as at 31.03.2016	Nil	Nil

### Note No. 12 TRADE PAYABLES

<b>i)</b> Total outstanding dues of micro enterprises and small enterprises	1475.34	2057.36
<b>ii)</b> Total outstanding dues of creditors other than micro enterprises and small enterprises	13583.56	8376.79
<b>TOTAL</b>	<b>15058.90</b>	<b>10434.15</b>

### Note No. 13 OTHER CURRENT LIABILITIES

<b>i)</b> Interest accrued but not due on borrowings	218.25	—
<b>ii)</b> Unpaid dividend	13.44	12.79
<b>iii)</b> Deposits/ Retention money	559.73	524.03
<b>iv)</b> Statutory dues payables	3295.87	3321.55
<b>v)</b> Other liabilities	1667.10	452.78
<b>vi)</b> Advances from Customers	3098.04	2688.27
<b>vii)</b> Sundry Creditors - Others	6533.18	4918.63
<b>TOTAL</b>	<b>15385.61</b>	<b>11918.05</b>



NOTES FORMING PART OF THE BALANCE SHEET (Contd.)

(₹ in lac)

Note No. 14 SHORT TERM PROVISIONS

	As at 31st March, 2016	As at 31st March, 2015
a) PROVISION FOR EMPLOYEE BENEFITS		
i) PROVISION FOR LEAVE ENCASHMENT AS PER LAST BALANCE SHEET	724.70	646.06
Additions during the year	154.50	78.64
Amount used during the year	—	—
CLOSING BALANCE	879.20	724.70
ii) PROVISION FOR GRATUITY AS PER LAST BALANCE SHEET	(390.28)	4395.70
Additions during the year	—	—
Amount used during the year	3691.61	4785.98
CLOSING BALANCE	(4081.89)	(390.28)
iii) PROVISION FOR LEAVE TRAVEL CONCESSION (LTC) AS PER LAST BALANCE SHEET	87.10	72.47
Additions during the year	9.80	14.63
Amount used during the year	—	—
CLOSING BALANCE	96.90	87.10
iv) PROVISION FOR PRP/INCENTIVE AS PER LAST BALANCE SHEET	575.00	500.00
Additions during the year	75.00	75.00
Amount used during the year	500.00	—
CLOSING BALANCE	150.00	575.00
v) PROVISION FOR WAGE REVISION AS PER LAST BALANCE SHEET	2598.00	—
Additions during the year	3355.00	2598.00
Amount used during the year	—	—
CLOSING BALANCE	5953.00	2598.00
b) OTHERS		
i) PROVISION FOR CURRENT TAXATION AS PER LAST BALANCE SHEET	66301.42	63138.38
Additions during the year	2164.00	3163.04
Amount used during the year	—	—
CLOSING BALANCE	68465.42	66301.42
Less : Advance Tax paid	73151.57	71463.85
CLOSING BALANCE (NET OF ADVANCE TAX)	(4686.15)	(5162.43)
ii) PROPOSED DIVIDEND AS PER LAST BALANCE SHEET	1387.83	9252.18
Additions during the year	—	1387.83
Amount used during the year	1387.83	9252.18
CLOSING BALANCE	—	1387.83
iii) TAX ON PROPOSED DIVIDEND AS PER LAST BALANCE SHEET	282.53	1572.41
Additions during the year	—	282.53
Amount used during the year	282.53	1572.41
CLOSING BALANCE	—	282.53
iv) PROVISION - OTHERS AS PER LAST BALANCE SHEET	2050.82	2293.50
Additions during the year	9109.42	4628.08
Amount used during the year	8790.16	4870.76
CLOSING BALANCE	2370.08	2050.82
TOTAL	681.14	2153.27



NOTES FORMING PART OF THE BALANCE SHEET (Contd.)

(₹ in lac)

**Note No. 15.1 TANGIBLE ASSETS**

	As at 31st March, 2016	As at 31st March, 2015
ACTIVE ASSETS *		
Gross Block	88667.28	86596.96
Less: Depreciation	68186.97	65912.75
Less: Impairment Loss	482.97	482.97
<b>NET BLOCK (A)</b>	<b>19997.34</b>	<b>20201.24</b>
DISCARDED ASSETS **		
Gross Block	6243.81	6243.81
Less: Depreciation	5493.37	5493.37
<b>NET BLOCK</b>	<b>750.44</b>	<b>750.44</b>
Less: Provision	750.44	750.44
<b>NET BLOCK (NET OF PROVISIONS) (B)</b>	<b>—</b>	<b>—</b>
<b>TOTAL NET BLOCK (NET OF PROVISIONS) (A+B)</b>	<b>19997.34</b>	<b>20201.24</b>

\* DETAILS AS PER ANNEXURE - I

\*\* DETAILS AS PER ANNEXURE - II

**Note No. 15.2 INTANGIBLE ASSETS**

Gross Block	—	—
Less: Depreciation	—	—
<b>NET BLOCK</b>	<b>—</b>	<b>—</b>

**Note No. 15.3 CAPITAL WORK IN PROGRESS**

i) Plant & Machinery	23160.91	3957.61
ii) Others including Mine Expansion	20801.38	12661.74
	43962.29	16619.35
Less: Provision	3392.91	3392.91
<b>TOTAL</b>	<b>40569.38</b>	<b>13226.44</b>



# NOTES FORMING PART OF THE BALANCE SHEET (Contd.)

## Annexure - I

DETAILS OF ACTIVE ASSETS *														(₹ in lac)				
DESCRIPTION	GROSS BLOCK							DEPRECIATION IMPAIRMENT LOSS							NET BLOCK			
	Cost as at 01.04.2015		Additions	Deduction/ Sale	During the Year			Cost as at 01.04.2016	Upto 01.04.2015	For the year	Deduction/ Sale	Inter Head Transfer in/ (Out)	During the Year			Upto 01.04.2015	As at 31.03.2016	As at 31.03.2015
	₹	₹			Inter Head Transfer in/ (Out)	Transfer from Discarded Asset	Transfer to Discarded Asset						Inter Head Transfer in/ (Out)	Transfer Discarded Asset	Transfer to Discarded Asset			
Land :																		
Free hold	151.61							151.61								151.61	151.61	
Lease hold	2749.42							2749.42	431.35	131.97					563.32	2186.10	2318.07	
Buildings including Sanitary and Water Supply System	11964.93	61.15						12026.08	8157.63	296.28					8453.91	3572.17	3807.30	
Plant,Machinery and																		
Mining Equipment	59992.81	443.25	170.28				(2.25)	60263.53	48795.37	1453.23	153.80		(2.25)		50092.55	10170.98	11197.44	
Furniture & Fixtures &																		
Office Equipment	1401.10	41.60				4.44		1447.14	1058.79	55.26			4.03		1118.08	329.06	342.31	
Vehicles	1005.25	11.59						1016.84	741.61	48.28					789.89	226.95	263.64	
Roads, Bridges and Culverts	697.02	1458.50						2155.52	573.73	233.67					807.40	1348.12	128.29	
Railway Siding	478.39							478.39	150.88	33.64					184.52	293.87	327.51	
Electrical Equipment and																		
Installation	4283.89	181.42				(2.19)		4463.12	3028.68	162.55			(1.78)		3180.45	1273.67	1255.21	
Shafts and Inclines	3872.54	43.09						3915.63	3457.68	13.14					3470.82	444.81	414.86	
Total	86596.96	2240.60	170.28	0.00	0.00	0.00	0.00	88667.28	66395.72	2428.02	153.80	0.00	0.00	0.00	68669.94	19997.34	20201.94	
Previous Year	83506.51	3513.07	422.62	0.00	0.00	0.00	-	86596.96	62227.21	4451.90	397.78	0.00	0.00	0.00	66395.72	20201.24	-	
Discarded Assets	6243.81	-	-	-	-	-	-	6243.81	5493.37	-	-	-	-	-	5493.37	750.44	750.44	
Less Provision																750.44	750.44	
Discarded Assets (net of provision)																-	-	

\* Refer main Profit & Loss Account and Note 4, 16, 32 & 33



## NOTES FORMING PART OF THE BALANCE SHEET (Contd.)

## DETAILS OF DISCARDED ASSETS

DESCRIPTION	GROSS BLOCK			DEPRECIATION IMPAIRMENT LOSS			NET BLOCK	
	Cost as at 01.04.2015	Additions	Deduction/ Sale	During the Year Transfer to Transfer Active Active Asset Asset	Upto 01.04.2015	For the year 2015	As at 31.03.2016	As at 31.03.2015
Land :								
Free hold	0.62						0.62	0.62
Lease hold	19.23				16.21		3.02	3.02
Buildings including Sanitary and Water Supply System	334.90				153.45		181.45	181.45
Plant, Machinery and								
Mining Equipment	4923.33				4543.22		380.11	380.11
Vehicles	64.02				59.84		4.18	4.18
Office Equipment, Hospital, Survey and Drawing Equipment	31.40				25.14		6.26	6.26
Roads, Bridges and Culverts	37.01				12.08		24.93	24.93
Electrical Equipment and Installation	217.91				159.74		58.17	58.17
Shafts and Inclines	615.39				523.69		91.70	91.70
Total	6243.81	-	-	-	5493.37	-	750.44	750.44
Less Provision							750.44	750.44
Discarded Assets (net of provision)							-	-



NOTES FORMING PART OF THE BALANCE SHEET (Contd.)

(₹ in lac)

	As at 31st March, 2016	As at 31st March, 2015
<b>Note No. 16 MINE DEVELOPMENT EXPENDITURE</b>		
As per Last Balance Sheet	76572.07	62281.67
Add: Expenditure during the Year ( as per Note Below)	<u>19808.08</u>	<u>23602.33</u>
	96380.15	85884.00
Less: Value of Ore recovered during Mine Development	93.41	—
Less: Amortisation during the Year	<u>10433.40</u>	<u>9311.93</u>
	85853.34	76572.07
Less: Provision	4664.86	4664.86
<b>TOTAL</b>	<b><u>81188.48</u></b>	<b><u>71907.21</u></b>
<b>Note: MINE DEVELOPMENT EXPENDITURE DURING THE YEAR</b>		
i) Salaries, Wages, Allowances	2901.07	3250.03
ii) Contribution to Provident & Other Funds	256.38	299.18
iii) Workmen & Staff Welfare Expenses	211.52	224.89
iv) Gratuity	77.38	215.55
v) Stores, Spares & Tools Consumed	3727.11	5791.75
vi) Power, Fuel & Water	451.21	546.80
vii) Royalty	8.76	-
viii) Repair & Maintenance	4280.28	3910.73
ix) Insurance	2.36	2.69
x) Overburden Removal Expenditure	6656.45	7543.50
xi) Depreciation	828.14	587.01
xii) Other Expenses	407.42	1230.20
<b>TOTAL</b>	<b><u>19808.08</u></b>	<b><u>23602.33</u></b>

The above expenditure is in addition to the expenses shown under the respective natural head of accounts indicated and charged in the Statement of Profit and Loss for the year and in the relevant notes thereof.

Amortisation during the year is in relation to the expenses incurred on mines which are under operation/ production and does not include expenditure on prospecting of minerals in new mines area.



## NOTES FORMING PART OF THE BALANCE SHEET (Contd.)

### Note No. 17 NON-CURRENT INVESTMENTS

(₹ in lac)

	As at 31st March, 2016	As at 31st March, 2015
i) Non Trade Investment in Debentures	0.17	0.17
Less : Provision for diminution in value	0.17	0.17
ii) INVESTMENTS IN MUTUAL FUNDS (Maturity above 12 months) :	—	—
<b>TOTAL</b>	—	—
<b>AGGREGATE BOOK VALUE - UNQUOTED</b>	<b>Nil</b>	<b>Nil</b>
<b>AGGREGATE BOOK VALUE - QUOTED</b>	—	—
<b>MARKET PRICE OF QUOTED INVESTMENT</b>	—	—

### Note No. 18 LONG TERM LOANS AND ADVANCES

<b>a) CAPITAL ADVANCES</b>		
i) Secured (considered good)	2502.81	2417.95
ii) Unsecured (considered good)		
– Against Bank Guarantee	—	—
– Others	—	—
iii) Unsecured (considered doubtful)	0.02	0.02
Less: Provisions for Capital Advances *	0.02	0.02
<b>b) OTHER LOANS &amp; ADVANCES</b>		
i) Employees (including accrued interest)		
- Secured (considered good)	10.46	3.65
- Unsecured (considered good)	—	—
- Unsecured (considered doubtful)	—	—
ii) Other Advances		
- Unsecured (considered doubtful)	—	—
Less: Provision for Other Loans & Advances **	—	—
<b>c) DEPOSITS</b>	3454.31	3500.42
Less: Provisions for Deposits ***	57.62	32.75
<b>TOTAL</b>	<b>3396.69</b>	<b>3467.67</b>
<b>PROVISIONS FOR CAPITAL ADVANCES *</b>	<b>5909.96</b>	<b>5889.27</b>
<b>OPENING BALANCE</b>	0.02	0.02
Additions during the year	—	—
Amount used during the year	—	—
<b>CLOSING BALANCE</b>	<b>0.02</b>	<b>0.02</b>
<b>PROVISIONS FOR OTHER LOANS &amp; ADVANCES **</b>		
<b>OPENING BALANCE</b>	—	—
Additions during the year	—	—
Amount used during the year	—	—
<b>CLOSING BALANCE</b>	—	—
<b>PROVISIONS FOR DEPOSITS ***</b>		
<b>OPENING BALANCE</b>	32.75	30.08
Additions during the year	24.87	2.67
Amount used during the year	—	—
<b>CLOSING BALANCE</b>	<b>57.62</b>	<b>32.75</b>
<b>PARTICULARS OF LOANS AND ADVANCES DUE FROM DIRECTORS</b>		
Amount due at the end of the year	₹Nil	₹Nil
Loans and advances due by firms or private companies in which any Director of the Company is a Partner or a director or a member amounts to ₹Nil (Previous year ₹Nil)		



# NOTES FORMING PART OF THE BALANCE SHEET (Contd.)

## Note No. 19 OTHER NON-CURRENT ASSETS

(₹ in lac)  
As at

	As at 31st March, 2016	31st March, 2015
a) LONG TERM TRADE RECEIVABLES	—	—
b) OTHERS	—	—
<b>TOTAL</b>	<b>—</b>	<b>—</b>

## Note No. 20 CURRENT INVESTMENTS

### INVESTMENTS IN MUTUAL FUNDS

#### (Maturity within 12 months) :

UTI FIXED TERM INCOME FUND		
SERIES XVIII-VII (368DAYS)- GROWTH	—	100.00
SBI TRESURY ADVANTAGE - GROWTH	—	705.14
UTI MONEY MARKET - GROWTH	430.00	500.00
SBI MICF LIQUID FLOATER - DIVIDEND	107.34	—
SBI ULTRA SHORT TERM DEBT FUND - GROWTH	2340.00	—
SBI PREMIER LIQUID FUND - GROWTH	430.00	500.00
SBI MICF LIQUID FLOATER - GROWTH	1900.00	402.09
SBI MICF - GROWTH	—	1500.00
SBI ULTRA SHORT TERM DEBT FUND - DIVIDEND	108.62	—
CANARA ROBECO YIELD ADVANTAGE FUND - GROWTH	505.58	—
CANARA REBECO LIQUID FUND - GROWTH	—	300.00
CANARA REBECO SAVINGS PLUS FUND - GROWTH	1225.00	1301.01
CANARA REBECO SAVINGS PLUS FUND - DIVIDEND	104.59	—
IDBI ULTRA SHORT TERM FUND- GROWTH	—	300.00
IDBI LIQUID FUND - GROWTH	430.00	1500.00
<b>TOTAL</b>	<b>7581.13</b>	<b>7108.24</b>
<b>AGGREGATE BOOK VALUE - UNQUOTED</b>	<b>7581.13</b>	<b>3901.01</b>
<b>AGGREGATE BOOK VALUE - QUOTED</b>	<b>Nil</b>	<b>3207.23</b>
<b>MARKET PRICE OF QUOTED INVESTMENT</b>	<b>NA</b>	<b>3219.47</b>

## Note No. 21 INVENTORIES

### (VALUATION AS PER ACCOUNTING POLICY NO. 11)

i) Raw Materials		20.24	15.75
ii) Semi-Finished and In-Process	44255.79	35900.87	
(at lower of cost or net realisable value)			
Less: Provision for Semi-Finished and In-Process *	136.27	44119.52	136.27
iii) Finished Goods (at lower of cost or net realisable value)		1650.89	1284.84
iv) Stores and spares	6993.40	7516.99	
Stores in transit/ pending inspection	1488.21	2299.41	
	8481.61	9816.40	
Less: Provision for Obsolete Stores & Spares **	2549.17	5932.44	2636.96
<b>TOTAL</b>		<b>51723.09</b>	<b>44244.63</b>
<b>PROVISION FOR SEMI-FINISHED AND IN-PROCESS *</b>			
<b>OPENING BALANCE</b>		136.27	136.27
Additions during the year		-	-
Amount used during the year		-	-
<b>CLOSING BALANCE</b>		<b>136.27</b>	<b>136.27</b>
<b>PROVISION FOR OBSOLETE STORES &amp; SPARES **</b>			
<b>OPENING BALANCE</b>		2636.96	2384.78
Additions during the year		110.46	320.19
Amount used during the year		198.25	68.01
<b>CLOSING BALANCE</b>		<b>2549.17</b>	<b>2636.96</b>



## NOTES FORMING PART OF THE BALANCE SHEET (Contd.)

Note No. 22 TRADE RECEIVABLES (DEBTORS)		(₹ in lac)	
	As at 31st March, 2016	As at 31st March, 2015	
<b>a) DEBTS OUTSTANDING</b>			
i) - Secured - Considered good	5733.14	8522.15	
ii) - Unsecured - Considered good	—	—	
iii) - Considered doubtful and provided	932.62	521.86	
	6665.76	9044.01	
Less: Provision for doubtful debts *	932.62	521.86	8522.15
<b>TOTAL</b>	<b>5733.14</b>	<b>8522.15</b>	
<b>PROVISION FOR DOUBTFUL DEBTS *</b>			
<b>OPENING BALANCE</b>	521.86	424.79	
Additions during the year	417.51	99.21	
Amount used during the year	6.75	2.14	
<b>CLOSING BALANCE</b>	<b>932.62</b>	<b>521.86</b>	

### Explanatory Note: -

- 1) The amount shown under 'Debts Outstanding - Considered doubtful' are debts outstanding for a period exceeding 6 months from the date they became due for payment.
- 2) Debt due by Directors or other officers of the company or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any Director of the Company is a partner or a Director or a member amounts to 'Nil (Previous year 'Nil)'.

## Note No. 23 CASH AND CASH EQUIVALENTS

<b>A) CASH AND CASH EQUIVALENTS</b>		
i) Balances with banks	624.60	1612.49
ii) Cheques, drafts on hand	—	—
iii) Cash on hand	5.42	7.10
<b>B) OTHER BANK BALANCES</b>		
i) Bank deposits upto 3 months maturity from date of original investment With scheduled banks	3522.49	2200.00
With other banks	—	—
ii) Bank deposits with more than 3 months and upto 12 months maturity With scheduled banks	13033.13	11573.00
With other banks	—	—
iii) Bank deposits with more than 12 months maturity With scheduled banks	6832.34	9771.13
With other banks	—	—
iv) Deposit account-Unpaid Dividend	13.44	12.79
<b>TOTAL</b>	<b>24031.42</b>	<b>25176.51</b>



# NOTES FORMING PART OF THE BALANCE SHEET (Contd.)

## Note No. 24 SHORT TERM LOANS AND ADVANCES

(₹ in lac)

	As at 31st March, 2016	As at 31st March, 2015
<b>A) LOANS</b>		
i) -Employees (including accrued interest)	—	—
ii) -Others	—	—
<b>B) ADVANCES</b>		
i) Employees		
- Unsecured (considered good)	86.35	78.73
- Unsecured (considered doubtful)	2.03	2.03
	88.38	80.76
ii) Advances to contractors / suppliers		
- Secured (considered good)		
- Unsecured (considered good)		
- Against Bank Guarantee	-	-
- Others	2136.36	1868.28
- Unsecured (considered doubtful)	182.19	179.07
	2318.55	2047.35
iii) Other Advances		
- Unsecured (considered good)	1047.84	11216.80
- Unsecured (considered doubtful)	140.19	132.78
	1188.03	11349.58
	3594.96	13477.69
Less : Provision for Doubtful Loans and Advances *	324.41	313.88
	3270.55	13163.81
<b>C) DEPOSITS</b>		
Deposits	2676.98	2321.27
Less : Provision for Doubtful Deposits **	19.86	19.86
	2657.12	2301.41
<b>TOTAL</b>	<b>5927.67</b>	<b>15465.22</b>

### DETAILS OF PROVISIONS

#### PROVISION FOR DOUBTFUL LOANS AND ADVANCES \*

<b>OPENING BALANCE</b>	313.88	213.73
Additions during the year	12.11	100.15
Amount used during the year	1.58	-
<b>CLOSING BALANCE</b>	<b>324.41</b>	<b>313.88</b>

#### PROVISION FOR DOUBTFUL DEPOSITS \*\*

<b>OPENING BALANCE</b>	19.86	19.86
Additions during the year	-	-
Amount used during the year	-	-
<b>CLOSING BALANCE</b>	<b>19.86</b>	<b>19.86</b>

#### Explanatory Note: -

#### PARTICULARS OF LOANS AND ADVANCES DUE FROM DIRECTORS

i) Amount due at the end of the year	₹Nil	₹Nil
ii) Advance due by firms or private companies in which any Director of the Company is a Partner or a director or a member amounts to ₹Nil (Previous year ₹Nil)		



NOTES FORMING PART OF THE BALANCE SHEET (Contd.)

Note No. 25 OTHER CURRENT ASSETS		(₹ in lac)	
	As at 31st March, 2016	As at 31st March, 2015	
<b>a) INTEREST ACCRUED ON</b>			
i) LC from Customers	14.51	38.32	
ii) Investments	—	—	
iii) Deposits	1616.79	1336.00	
iv) House Building Loan	7.94	12.10	
<b>b) OTHER CURRENT ASSETS</b>			
i) Other Current Assets	241.50	216.45	
Less: Provision for Other Current Assets *	3.52	3.52	
	237.98	212.93	
<b>c) CLAIMS RECOVERABLE</b>			
i) Claims recoverable from different agencies	2329.85	1789.94	
Less: Provision for Doubtful Claims **	174.80	175.80	1614.14
<b>d) OTHER RECOVERABLES</b>			
i) Other Recoverables	—	—	
<b>TOTAL</b>	<b>4032.27</b>	<b>3213.49</b>	
<b>DETAILS OF PROVISIONS</b>			
<b>PROVISION FOR OTHER CURRENT ASSETS *</b>			
OPENING BALANCE	3.52	3.52	
Additions during the year	—	—	
Amount used during the year	—	—	
<b>CLOSING BALANCE</b>	<b>3.52</b>	<b>3.52</b>	
<b>PROVISION FOR DOUBTFUL CLAIMS **</b>			
OPENING BALANCE	175.80	175.80	
Additions during the year	—	—	
Amount used during the year	1.00	—	
<b>CLOSING BALANCE</b>	<b>174.80</b>	<b>175.80</b>	



## NOTES FORMING PART OF THE STATEMENT OF PROFIT & LOSS

### Note No. 26 REVENUE FROM OPERATIONS

(₹ in lac)

	As at 31st March, 2016	As at 31st March, 2015
<b>SALE OF PRODUCTS</b>		
- Domestic	93254.68	110708.50
- Export	13639.80	2040.89
	106894.48	112749.39
Less : Discount & Rebate	234.66	183.61
<b>SALES (Net of Discounts) (A)</b>	<b>106659.82</b>	<b>112565.78</b>
<b>SALE OF SERVICES (B)</b>	<b>231.22</b>	<b>126.70</b>
<b>OTHER OPERATING REVENUES (C)</b>	<b>296.53</b>	<b>944.25</b>
<b>TOTAL (A+B+C)</b>	<b>107187.57</b>	<b>113636.73</b>

### Note No. 27 OTHER INCOME

#### A) TRADE

- Interest received from Customers	398.54	593.62
- Claims	-	132.57
<b>SUB TOTAL (A)</b>	<b>398.54</b>	<b>726.19</b>

#### B) NON-TRADE

- Dividend income -Mutual Fund	316.69	375.68
- Interest from Term Deposits	1939.11	3341.78
- Interest - Others	364.42	473.91
<b>SUB TOTAL (B)</b>	<b>2620.22</b>	<b>4191.37</b>

#### C) OTHER INCOME

- Profit on sale of Assets	40.45	9.23
- Provisions not required written back #	311.24	306.21
- Profit on Sale of Investment	235.66	293.48
- Penalty & Liquidated Damages	613.99	559.24
Less : Refunded during the year	285.29	355.03
- Transfer from Special Reserve	0.12	0.12
- Others	941.69	958.96
<b>SUB TOTAL (C)</b>	<b>1857.86</b>	<b>1772.21</b>

#### TOTAL (A+B+C)

	<b>4876.62</b>	<b>6689.77</b>
--	----------------	----------------

#### Details of Provisions not required written back #

#### (Refer Note No. 14 of General Notes on Accounts)

Detail of Provisions not required written back

Bad and doubtful debts	6.75	2.14
Bad and doubtful advances / deposits	3.57	—
Provision for PF liabilities no longer required	—	28.50
Provision for Obsolete Inventory	7.15	—
Excess provision of non-moving stores	136.02	89.71
Provision for Wealth Tax Liabilities	0.17	—
Provision for Sales Tax on Anode Slime no longer required	—	151.21
Provision for MP Rural Infrastructure & Road Development Tax	157.58	—
Old liability no longer required	—	34.65

<b>TOTAL</b>	<b>311.24</b>	<b>306.21</b>
--------------	---------------	---------------



## NOTES FORMING PART OF THE STATEMENT OF PROFIT & LOSS (Contd.)

Note No. 28 COST OF MATERIALS CONSUMED			(₹ in lac)
	As at 31st March, 2016	As at 31st March, 2015	
Raw Materials Consumed	4448.07	3064.49	
Value of Ore Raised During Mine Development	93.41	—	
<b>TOTAL</b>	<b>4541.48</b>	<b>3064.49</b>	

## Note No. 29 CHANGES IN INVENTORIES OF FINISHED GOODS, SEMI-FINISHED AND IN-PROCESS

<b>A. OPENING STOCK:</b>		
Finished Goods	1284.84	877.47
Semi-Finished and In-Process	35900.87	34871.45
<b>TOTAL OPENING STOCK</b>	<b>37185.71</b>	<b>35748.92</b>
<b>B. CLOSING STOCK:</b>		
Finished Goods	1650.89	1284.84
Semi-Finished and In-Process	44255.79	35900.87
<b>TOTAL CLOSING STOCK</b>	<b>45906.68</b>	<b>37185.71</b>
<b>(INCREASE)/ DECREASE (A-B)</b>	<b>(8720.97)</b>	<b>(1436.79)</b>

## Note No. 30 EMPLOYEE BENEFITS EXPENSE

Salaries, Wages & Allowances	29070.70	29586.81
Bonus/Ex-gratia/Performance Related Pay	506.09	548.35
Contribution to Provident & Other Funds	2273.89	2342.71
Workmen & Staff Welfare Expenses	1752.47	1529.23
Gratuity	(1663.37)	(1044.12)
<b>TOTAL</b>	<b>31939.78</b>	<b>32962.98</b>

### Explanatory Note: -

The detail of Remuneration paid/payable to  
Directors as included in above payments are as follows: -

(i) Salaries & Allowances	188.40	147.61
(ii) Contribution to Provident & Other Funds	11.11	11.02
(iii) Re-imbursement of Medical Expenses	0.23	0.19
(iv) Leave Encashment	21.93	7.60
(v) Gratuity	10.00	-
<b>TOTAL</b>	<b>231.67</b>	<b>166.42</b>

In addition the Whole-time Directors are allowed the use of company car for private purpose and have been provided with residential accomodation as per terms of their appointment / Government guidelines and the charges are recovered at the rates prescribed by the Government.



NOTES FORMING PART OF THE STATEMENT OF PROFIT & LOSS (Contd.)

**Note No. 31 FINANCE COST**

(₹ in lac)

	As at 31st March, 2016	As at 31st March, 2015
- Interest on Cash Credit	0.59	0.83
- Others	143.50	67.46
<b>TOTAL</b>	<b>144.09</b>	<b>68.29</b>

**Note No. 32 DEPRECIATION AND AMORTISATION EXPENSES**

**A. DEPRECIATION**

Depreciation for the year	2428.02	4451.90
Less: Depreciation transferred to Mine Development Expenditure	828.14	587.01
Less: Depreciation transferred to Prior Period	-	111.25
Less: Depreciation transferred to Retained Earning	-	1780.46
<b>SUB TOTAL (A)</b>	<b>1599.88</b>	<b>1973.18</b>

**B. AMORTISATION**

Amortisation during the year *	10433.40	9311.93
<b>SUB TOTAL (B)</b>	<b>10433.40</b>	<b>9311.93</b>
<b>TOTAL (A+B)</b>	<b>12033.28</b>	<b>11285.11</b>

\* Amortisation during the year is in relation to the expenses incurred on mines which are under operation/production and does not include expenditure on prospecting of minerals in new mines area.



NOTES FORMING PART OF THE STATEMENT OF PROFIT & LOSS (Contd.)

Note No. 33 GENERAL, ADMINISTRATION AND OTHER EXPENSES

(₹ in lac)

	As at 31st March, 2016	As at 31st March, 2015
<b>A. OTHER MANUFACTURING EXPENSES</b>		
- Stores ,Spares& Tools Consumed	11149.22	9667.63
- Consumption of Power, Fuel & Water	16972.12	17610.60
- Royalty, Cess & Decretal amount	5988.63	5332.57
- Contractual Job for Process	5159.29	4456.49
- Handling & Transportation	3480.06	3634.97
- Tolling Charges	6373.47	4373.12
<b>SUB TOTAL (A)</b>	<b>49122.79</b>	<b>45075.38</b>
<b>B. REPAIRS &amp; MAINTENANCE</b>		
- Building	107.34	283.17
- Machinery	1840.29	2466.62
- Others	660.27	634.52
<b>SUB TOTAL (B)</b>	<b>2607.90</b>	<b>3384.31</b>
<b>C. MAJOR OVERHAUL EXPENSES</b>	<b>90.04</b>	<b>-</b>
<b>D. ADMINISTRATION EXPENSES</b>		
- Insurance	91.97	99.40
- Rent	122.58	136.48
- Rates and Taxes	867.51	1436.04
- Security Expenses	467.10	472.30
- Travelling and Conveyance	454.87	427.00
- Telephone, Telex and Postage	118.12	100.30
- Advertisement and Publicity	266.10	168.79
- Printing and Stationery	51.54	54.14
- Books & Periodicals	6.55	2.31
- Consultancy Charges - Indigenous	227.05	339.54
- Loss on Sale of Stores	5.28	3.87
- Corporate Social Responsibility Expenses	609.81	643.67
- Hire Charges	259.21	256.37
- Audit Expenses (Refer detail below at Sl 1)	37.96	42.46
- Director Expenses (Refer below at Sl 2)	6.16	11.07
- Other General Expenses	851.78	1194.73
<b>SUB TOTAL (D)</b>	<b>4443.59</b>	<b>5388.47</b>
<b>E. Net impact of Excise Duty on Closing Stock</b>	<b>610.77</b>	<b>(382.88)</b>
<b>F. PROVISIONS (Refer detail below at Sl 3)</b>	<b>618.94</b>	<b>654.52</b>



# NOTES FORMING PART OF THE STATEMENT OF PROFIT & LOSS (Contd.)

## Note No. 33 GENERAL, ADMINISTRATION AND OTHER EXPENSES (Contd.)

(₹ in lac)

G. PRIOR PERIOD ADJUSTMENTS (NET)	As at 31st March, 2016	As at 31st March, 2015
1. INCOME		
Sale of Products	(23.33)	(71.27)
Others	-	73.37
SUB TOTAL (1)	(23.33)	2.10
2. EXPENDITURE		
Salaries & Wages	(46.60)	-
Depreciation	-	111.25
Others	(193.46)	47.21
Raw Material Consumption	-	(20.77)
SUB TOTAL (2)	(240.06)	137.69
SUB TOTAL (G) (2-1)	(216.73)	135.59
TOTAL (A+B+C+D+E+F+G)	57277.30	54255.39

### Explanatory Note: -

#### 1) Detail of Audit Expenses are as under: -

##### i) Statutory Auditors

###### As Auditor

- Statutory Audit Fees	8.35	8.79
- Tax Audit Fees	0.89	9.24
		1.10
		9.89

###### In Other Capacity

- Other Matters / Services	9.90	10.29
Reimbursement of Expenses	7.66	15.19

##### ii) Cost Auditors

- Cost Audit Fees	0.50	0.56
- Reimbursement of Expenses	0.98	0.09

##### iii) Internal Auditors

- Audit Fees	0.95	1.89
- Reimbursement of expenses	8.73	4.55

TOTAL	37.96	42.46
-------	-------	-------

2) Sitting fees to Independent Directors	6.16	11.07
--	------	-------

#### 3) Detail of Provisions are as under: -

Doubtful debts	417.51	99.21
Doubtful advances / deposits	33.51	100.35
Prov. For Obsolete /Non-moving Stores	-	394.79
Prov. For Impairment Loss	-	14.39
Interest on MSMED	166.42	45.78
Provision for Others	1.50	-

TOTAL	618.94	654.52
-------	--------	--------

## Note No. 34 TAX EXPENSES

### CURRENT TAX

Income Tax Provision	2164.00	3163.04
Deferred Tax Account	(1982.34)	(1878.06)

TOTAL	181.66	1284.98
-------	--------	---------



## NOTES FORMING PART OF THE ACCOUNTS

### 35 GENERAL NOTES ON ACCOUNTS

(₹ in lac)

#### 1. CONTINGENT LIABILITIES AND COMMITMENTS

##### (TO THE EXTENT NOT PROVIDED FOR)

##### (i) Contingent Liabilities: -

	<b>Year 2015-16</b>	<b>Year 2014-15</b>
<b>a. Claims against the company not acknowledged as debt :</b>		
i. Disputed VAT / CST / Entry Tax	972.27	1183.43
ii. Disputed Excise Duty	4797.14	4746.84
iii. Disputed Income Tax	404.42	4538.86
iv. Other Demand	36484.00	42722.14
<b>SUB-TOTAL (A)</b>	<b>42657.83</b>	<b>53191.27</b>
<b>b. Other money for which the company is contingently liable :</b>		
i. Claim of reimbursement of VAT by Asset Reconstruction Company (India) Limited (Arcil) on auction price of plant & machinery (movable) pertaining to Gujarat Copper Project (GCP) disputed by the company vide clause no. 8 below)	868.83	—
<b>SUB-TOTAL (B)</b>	868.83	—
<b>GRAND TOTAL (A+B)</b>	<b>43526.66</b>	<b>53191.27</b>

##### (ii) Commitments:-

Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advance and deposit)	139978.14	178366.00
---	-----------	-----------

#### Details of Claims against the Company not acknowledged as debt (of 1(i)(a) above)

##### VAT/CST/ENTRY TAX

There are demand notices totaling to Gross Demand of ₹972.27 lac (Previous Year ₹1183.43 lac) from various State Revenue Authorities regarding VAT/CST/Entry Tax. The company is contesting the demand and the management as well as the legal advisors/consultants are of the opinion that its contention will likely to be upheld by the Appellate Authorities. The company also believes that ultimate outcome of these proceedings will not have a material adverse impact on the financial position of the company.



## NOTES FORMING PART OF THE ACCOUNTS (Contd.)

### EXCISE DUTY

There are demand notices totaling to Gross Demand of ₹4797.14 lac (Previous Year ₹4746.84 lac) from Central Excise Authorities regarding Excise Duty. The company is contesting the demand and the management as well as the legal advisors/consultants are of the opinion that its contention will likely to be upheld by the Appellate Authorities. The company also believes that ultimate outcome of these proceedings will not have a material adverse impact on the financial position of the company.

### INCOME TAX

There are Income Tax demand notices totaling to Gross Demand of ₹404.42 lac (Previous Year ₹4538.86 lac). The company is contesting the said demands before the Appellate Authorities. The management as well as the income tax consultant are of the opinion that its contention will likely to be upheld by the Appellate Authorities. The company also believes that ultimate outcome of these proceedings will not have a material adverse impact on the financial position of the company.

**OTHER DEMAND** of ₹36484.00 lac (Previous Year ₹42722.14 lac)

**The major pending litigation cases are as follows:**

- a. The Municipal Council, Malanjkhand, raised a demand on Malanjkhand Copper Project (MCP) amounting to ₹7046.64 lac on account of penalty on Terminal Tax for the periods from 2000-01 to 2005-06 on the ground of short payment of Terminal Tax by adopting higher assessable value as well as higher of Metal in Ore (MIO) produced and Metal in Concentrate (MIC) despatched. The matter was contested by the company before the Hon'ble High Court, Jabalpur, M.P. and the company paid ₹352.33 lac towards penalty Terminal Tax as per the order of Hon'ble High Court, Jabalpur, M.P. Subsequently the matter was turned down by the Hon'ble High Court, Jabalpur, M.P. The Company filed writ petition before the Hon'ble Supreme Court of India. The Hon'ble Supreme Court vide its order dated 29.07.2011 directed the Company to deposit an ad-hoc amount of ₹1000.00 lac to Municipal Council, Malanjkhand which has since been deposited by the company and shown as 'Deposits with Court' and also ordered that the matter may be heard on the ground of merit by the Civil Court, Baihar. Further a demand of ₹18867.56 lac for the periods from 2006-07 to 2011-12 was also raised on the above ground for which the appeal by the company is pending before the Hon'ble Supreme Court. Pending final decision, the full amount of ₹25914.20 lac has been disclosed under 'Contingent Liability'.
- b. The Municipal Council, Malanjkhand, Madhya Pradesh issued demands on MCP for ₹1253.32 lac on account of Property Tax for several years against which the company filed writ petitions before the Hon'ble Madhya Pradesh High Court, Jabalpur challenging the demand notice. Out of the above demand, a sum of ₹220.85 lac has been paid by the Company based on self assessment from time to time as per interim measure as directed by the Hon'ble Madhya Pradesh High Court, Jabalpur. The net amount of ₹1032.47 lac (₹1253.32 lac - ₹220.85 lac) has been included under 'Contingent Liability'.
- c. The State Deputy Registrar, Khetri, Rajasthan issued demands on KCC for ₹3310.32 lac on account of Property/Land Tax for the years 2006-07 to 2012-13 against which the company filed writ petitions before the Hon'ble Rajasthan High Court, Jaipur challenging the demand notice. Out of the above demand, a sum of ₹1655.16 lac has been paid by the Company as directed by the Hon'ble Rajasthan High Court, Jaipur. The net amount of ₹1655.16 lac (₹3310.32 lac - ₹1655.16 lac) has been included under 'Contingent Liability'.
- d. There was a trade dispute with M/S Bhagawati Gases Ltd (BGL) in connection with an agreement to supply of gaseous oxygen at Khetri Copper Complex. The dispute was referred to Arbitration. The claim of BGL is for an amount of ₹1079.80 lac with a corresponding counter claim of ₹534.62 lac by the company.



## NOTES FORMING PART OF THE ACCOUNTS (Contd.)

The arbitral award went against the company. The company had filed an appeal before the Hon'ble High Court of Rajasthan, and the same was admitted for hearing. Pending final decision, the said amount of ₹1079.80 lac has been disclosed under 'Contingent Liability'.

- e. There was a demand from M/S Uttkal Moulders amounting to ₹1662.72 lac regarding interest for delayed payment against supply of grinding media balls at Malanjkhanda Copper Project. The case is pending before the Sole Arbitrator. Pending final decision, the said amount of ₹1662.72 lac has been disclosed under 'Contingent Liability'.
- f. In addition there are number of pending litigation cases against the company claiming demand of ₹5139.65 lac by retired employees, third parties etc. which the company is contesting before different Legal Forums / Courts.

The management as well as the legal advisors/consultants are of the opinion that its position will likely to be upheld in the appellate proceedings. The company also believes that ultimate outcome of these proceedings will not have a material adverse impact on the financial position of the company.

- 2. During the year, the company has made a provision amounting to ₹75.00 lac in terms of DPE guidelines towards Performance Related Pay payable to the executives for F.Y. 2015-16 which is shown under 'Employees' Benefit Expenses'.
- 3. In the absence of lease agreements with the State Government in respect of certain leasehold lands, the amortization has been made against the adhoc payment made so far. In case of certain freehold lands acquired through nationalization in accordance with Indian Copper Corporation (Acquisition of Undertaking) Act, 1972, title deeds, conveyance deeds etc. are not in the possession of the company.
- 4. Lease premium paid for land for mining purposes including payment for Net Present Value (NPV) of forest area paid to forest department is capitalized under the head Leasehold Land.
- 5. The commercial operation of Smelter, Refinery and Sulphuric Acid Plant at Khetri Copper Complex (KCC) were suspended since December 2008. The Company got the loss on account of impairment of the said plants valued by an independent consultant and consequently a total sum of ₹482.97 lac was provided in the accounts in the preceding years for impairment loss in compliance with the guidelines of AS-28 on "Impairment of Assets" issued by the Institute of Chartered Accountants of India. Total inventory valued ₹841.52 lac after provision of ₹17.79 lac which remained as process material in the above Plant is included in the Inventory of the company. The management is of the opinion that such inventories consisting mainly of metal content are realizable at least at the book value.
- 6. The title deeds in respect of office flat at SCOPE Complex, Delhi & Jaipur office with total book value of ₹73.32 lac (Previous year ₹78.59 lac) as well as for Leasehold Land and Building acquired during the year in respect of Gujarat Copper Project (GCP) with book value of ₹6037.30 lac are yet to be executed (Previous year ₹ Nil).
- 7. At ICC, Pollution Control Plant under Package I & III amounting to ₹2100.50 lac have not been capitalized for want of completion of trial / guarantee run as per terms of contract. As a matter of prudence, full provision for the same has been made in the accounts to take care of efflux of time over the years.
- 8. Consequent to the order of the Hon'ble High Court of Gujarat at Ahmedabad dated 27.01.2015, the company acquired existing unit namely M/S Jhagadia Copper Limited (JCL) situated at Jhagadia Industrial Estate, District Bharuch, Gujarat (renamed as Gujarat Copper Project, with installed capacity to manufacture 50,000 tonnes per annum of LME 'A' grade Copper Cathodes by secondary smelting process, through auction process



## NOTES FORMING PART OF THE ACCOUNTS (Contd.)

from Asset Reconstruction Company (India) Limited (Arcil) at a consolidated auction price of ₹21000.00 lac comprising of Leasehold Land - ₹3005.00 lac, Building - ₹1838.00 lac and Plant & Machinery - ₹16157.00 lac. In giving effect to the Hon'ble High Court order, sale certificate for sale of Leasehold Land and Building (immovable property) amounting to ₹4843.00 lac was executed by Arcil on 30.04.2015 pending registration of title deed in favour of the company by incurring stamp duty and registration charges as applicable. Similarly, sale certificate for sale of movable items of Plant & Machinery amounting to ₹16157.00 lac was executed by Arcil on 30.04.2015. The company paid ₹10500.00 lac during the preceeding F.Y. 2014-15 and the balance amount of ₹10500.00 lac has been paid in the current financial year.

The vendor Arcil has, in the meantime, raised a further demand of ₹868.83 lac on the company towards reimbursement of VAT pertaining to sale/transfer of movable assets (Plant & Machinery) in addition to the total auction price of ₹21000.00 lac approved by the Hon'ble High Court of Gujarat. The company approached the State Govt. of Gujarat seeking relief/concessions on the payment of VAT and other charges applicable in view of the State Government Industrial Policy 2015 which provides for financial support to the new promoter to revive the sick units to make it viable. The Ministry of Mines, Govt. of India has supported the request of the company and has taken up the matter with the State Govt. The matter is under active consideration of the State Govt. Therefore the company believes that State Govt. will accept the company's plea of waiver of the applicable VAT and other charges. Pending receipt of the approval/concession of waiver of VAT from the State Govt., the VAT liability on the part of the company is therefore denied and is treated as Contingent Liability.

Since the unit was not in a working condition and needs to be thoroughly refurbished in order to bring the unit to its working condition, the auction price of ₹21000 lac and subsequent amount incurred in this regard amounting to ₹3688.93 lac has been shown under Capital Work in Progress (Total CWIP as on 31.03.2016 - ₹24688.93 lac). The above closing CWIP at GCP includes borrowing cost of ₹1642.04 lac comprising of exchange rate fluctuation, interest on borrowed fund and service fees capitalized during the year. Pending receipt of necessary details regarding arrear lease rent as well as current year lease rent from the lessor of the aforesaid Leasehold Land i.e. Gujarat Industrial Development Corporation (GIDC), provision for lease rent could not be made during the current year.

After taking over possession of the unit, the company made physical verification of Stores & Spares as available in the said unit by an independent CA firm. As per valuation report, net amount of ₹987.81 lac (Gross amount ₹1098.27 lac - Provision for Obsolescence ₹110.46 lac) has been found. Since the company did not pay any extra amount for such surplus Stores & Spares, the said amount of ₹987.81 lac has been credited to Capital Reserve Account.

9. Confirmation letters of majority of balances under the heads Sundry Creditors, Claims Recoverable, Loans & Advances, Sundry Debtors and Deposits from and with various parties/ Government Departments have been sent but in number of cases such confirmation letters from the parties are yet to be received.
10. Like last year, considering the present scenario of MCP mines and to sustain the planned production, management during the year also decided to process the lean ore along with the normal ore produced from the mine. At the end of the year, the value of closing lean ore was ₹4321.96 lac (Previous Year ₹5446.19 lac). The physical verification of lean ore has been conducted by the Malanjkhand Mining Department.
11. During the year, the company has utilized a sum of ₹767.92 lac on account of Corporate Social Responsibility (CSR) expenses out of which ₹609.81 lac is charged to Statement of Profit & Loss and the balance amount of ₹158.11 lac has been appropriated out of unspent balance of CSR Fund.



## NOTES FORMING PART OF THE ACCOUNTS (Contd.)

12. Information related to Micro, Small and Medium Enterprises Development Act, 2006 is disclosed hereunder

a) i) Principal amount remaining unpaid to any supplier at the end of the accounting year	– ₹ 1475.34 lac
ii) Interest due on above	– ₹ 166.42 lac
b) Amount of interest paid by the buyer in terms of Section 16 of the Act, along with amount of payment made beyond the appointed date during the year	– ₹ NIL
c) Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the due date during the year) but without adding the interest specified under the Act	– ₹ NIL
d) Amount of interest accrued and remaining unpaid at the end of the financial year	– ₹ NIL
e) Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the Small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23 of the Act	– ₹ NIL

The information has been given of such vendors to the extent they could be identified as "Micro and Small" enterprises on the basis of information available to the Company.

13. Earlier there was a dispute with Madhya Pradesh State Electricity Board (MPSEB) (now renamed as M.P. Poorv Kshetra Vidyut Vitaran Co. Ltd.) regarding demand of interest on electricity dues amounting to ₹7008.00 lac payable by MCP which has been pending for long time. The Hon'ble Supreme Court vide its judgement dated 19.11.2008 restrained MPSEB from making any recovery of interest. During the current year, it is apparent that MPSEB has ceased to show such demand of interest in their bills. Considering the above facts, the aforesaid sum of ₹7008.00 lac, earlier shown as 'Contingent Liability' is not being considered as 'Contingent Liability' from this year.



## NOTES FORMING PART OF THE ACCOUNTS (Contd.)

14. During the year the Company has written back old liabilities / provisions amounting to ₹311.24 lac (Previous Year ₹306.21 lac) in the accounts, the details of which are as under :-

Sl. No.	PARTICULARS	₹ in lac	REASONS FOR REVERSAL
1.	Excess provision on account of shortage, non-moving and obsolete Stores & Spares written back in respect of KCC - ₹79.04 lac & ICC - ₹64.13 lac	143.17	Consequent to physical verification conducted and on reconciliation with book records during the year, the excess provision at the end of the year has been written back to revenue.
2.	Excess provision for doubtful advances/ unclaimed EMD no longer required is written back in RSON - ₹1.00 lac, KCC - ₹1.57 lac & RSOS - ₹1.00 lac	3.57	The relevant amount of advances were recovered from the parties and hence the provision for advances created in earlier years has been written back and unclaimed EMD lying for more than 5 years has also been written back.
2.	Excess provision for doubtful debts no longer required is written back in KCC	6.75	The relevant amount was recovered from the debtors and hence the provision for doubtful debts created in earlier years has been written back.
5.	Excess liability created for Road Tax during the year in MCP	157.58	The excess liability of Road Tax has been written back after the actual liability for the year was ascertained.
6.	Excess liability created for Wealth Tax during financial year 2014-15 in HO	0.17	The excess liability created for Wealth Tax has been written back after the actual liability for the financial year 2014-15 was paid during the current year.
	<b>TOTAL</b>	311.24	

15. Para 4 under Part C of Schedule II to the Companies Act, 2013 provides for mandatory componentization from the current financial year. Accordingly, during the year the management of the company, in line with the Guidance Note issued by the Institute of Chartered Accountants of India formed in-house technical committees in its four major units namely, KCC, ICC, MCP and TCP to assess and record material/significant components of the assets with same or different useful life than that of the main assets. However, the assets where component wise break up is possible, the life of the components are similar to the main assets based on the report of the in-house technical committees in its four major units. Hence componentization of assets are not required and there is no effect of such componentization to the revenue of the company during the year.
16. No fraud by the company or any fraud on the company by its officers and employees has been noticed or reported during the current financial year.
17. In giving effect to the wage agreement between Company Management and Workmen Union, in addition to the earlier provision made upto last year, the company made further provision of ₹3355.00 lac towards wage revision of workmen upto 28th February 2016 and from the month of March 2016, the company has decided



## NOTES FORMING PART OF THE ACCOUNTS (Contd.)

to disburse the actual revised pay as per wage revision agreement and accordingly the same has also been charged to revenue.

18. The Company has closed / suspended many of its mining operations located at various places, Fertilizer Plant at Khetri in different years due to their uneconomic operations. As per requirement of AS-24 on "Discontinuing Operations" the following information for the year are furnished:

(₹ in lac)  
(Previous year figures in brackets)

	MSB GROUP OF MINES	RCP	CCP	DCP	FERTILIZER PLANT
i) Initial disclosure event (Year of closure)	1997 to 2003	2001	2002	1994	2001
ii) Carrying amount of Assets	No separate records maintained	607.98 (642.68)	— (—)	— (—)	No separate records are maintained
iii) Liabilities to be settled		137.17 (137.17)	73.04 (73.04)	3.38 (3.38)	
iv) Amount of income	— (—)	— (—)	— (—)	— (—)	
v) Amount of expenses	— (—)	34.70 (34.70)	— (—)	— (—)	
vi) Gain on sale of assets (Included in iv above)	— (—)	— (—)	— (—)	— (—)	

19. Since the company is primarily engaged in the business of manufacture and sale of copper products, the same is considered to be the only primary reportable business segment and accordingly has been reported. As the Company operates predominantly within the geographical limits of India, no secondary segment reporting has been considered as per Accounting Standard "Segment Reporting (AS-17)".

20. Sales for the period include FOB value of Export Sales :-

	Qty (MT)	Year 2015-16 (₹ in lac)	Qty (MT)	Year 2014-15 (₹ in lac)
Anode Slime	28.800	3862.79	37.800	4112.52
Copper Reverts	882.926	2319.41	548.771	1509.54
Copper Concentrate (CMT)	2701.871	7457.60	—	(3581.17)
		<b>13639.80</b>		<b>2040.89</b>



## NOTES FORMING PART OF THE ACCOUNTS (Contd.)

21. In terms of Accounting Standard – 18 on “Related Party Personnel”:

Particulars	Key Management Personnel	Total Remuneration (₹ in lac)	
		Year ended 2015-16	Year ended 2014-15
<b>A. FUNCTIONAL DIRECTORS</b>			
Receiving of Services	1. Sri K D Diwan Chairman cum-Managing Director	54.70	39.19
	2. Sri Anupam Anand Director (Personnel)	48.79	36.02
	3. Sri V V Venugopal Rao Director (Finance)	39.18	30.85
	4. Sri Subhendra Nanda Director (Operations) (up to 31.01.2016)	70.31 (Part of the year)	34.23
	5. Sri S K Bhattacharya Director (Mining) (from 15.09.2015)	16.34 (Part of the year)	—
	6. Sri Santosh Sharma Director (Operations) (from 01.03.2016)	2.35 (Part of the year)	—
	7. Sri Avijit Ghosh Director (Mining )	—	26.13 (Part of the year)
<b>B. OTHER THAN FUNCTIONAL DIRECTORS</b>			
	8. Sri C.S.Singhi Company Secretary	29.93	24.13

22. In terms of Accounting Standard – 20 on “Earning Per Share” :

(₹ in lac)

	BASIC	DILUTED
Numerator used: Profit After Tax	4355.81 (6759.84)	4355.81 (6759.84)
Denominator used: Weighted average number of Equity Shares of ₹5/- (Previous year ₹5/- each) outstanding during the period.	925218000 (925218000)	925218000 (925218000)
Earning Per Share (₹)	0.47 (0.73)	0.47 (0.73)



## NOTES FORMING PART OF THE ACCOUNTS (Contd.)

23. The Company has accounted for Deferred Tax in accordance with the guidelines of AS-22 on "Accounting for Taxes on Income" issued by The Institute of Chartered Accountants of India. The Deferred tax balances are set out below:-

### DEFERRED TAX ASSET (NET): -

(₹ in lac)

Particulars	Deferred Tax Asset/ (Liability) as at 01.04.2015	Credit/ (Charge) during 2015-16	Deferred Tax Asset/(Liability) as at 31.03.2016
Deferred Tax Asset :-			
Difference between provision made in accounts and claims made as per I. T Act	9509.59	1344.13	10853.72
	9509.59	1344.13	10853.72
Deferred Tax Liability :- Difference between net book value of depreciable capital assets vis-à-vis WDV as per IT Act	(3841.22)	638.22	(3203.00)
	(3841.22)	638.22	(3203.00)
Deferred Tax Asset (Net)	5668.37	1982.35	7650.72

### 24. PROVISIONS FOR CONTINGENCIES :-

(₹ in lac)

Particulars	Discarded Fixed Assets	Capital WIP & Advance	Mines Development Expenditure	Others	TOTAL
Carrying amount as at 01.04.2015	750.44	3392.91	4664.86	17451.77	26259.98
Amount provided during the year	—	—	—	12503.38	12503.38
Amounts utilized against provision	—	—	—	11497.75	11497.75
Unused amounts released during the year.	—	—	—	—	—
Carrying amount as at 31.03.2016	750.44	3392.91	4664.86	18457.40	27265.61

### 24. GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS IN TERMS OF AS-15 (REVISED) :

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded through Life Insurance Corporation of India and SBI Life Insurance Co. Ltd. and are managed by separate trust. During the year, the Company has also funded through Life Insurance Corporation of India and SBI Life Insurance Co. Ltd towards leave encashment. Expenses recognized in Statement of Profit & Loss and Mine Development Expenditure amounts to ₹4163.07 lac in respect of Gratuity, Leave Encashment and Leave Travel Concession has been made as stated below.



## NOTES FORMING PART OF THE ACCOUNTS (Contd.)

The following tables summarize the components of net benefit expense recognized in the Statement of Profit and Loss and the funded status and amounts recognized in the balance sheet for the respective plans.

(₹ in lac)

	Gratuity (Funded Plan)	Leave Encashment (Partially funded Plan)	Leave Travel Concession (Non-funded Plan)
<b>(i) <u>Change in Defined Benefit Obligation</u></b>			
Opening defined benefit obligation	22338.08	9535.92	87.10
Current service cost	940.02	1146.17	
Interest cost	1657.56	678.07	
Benefits Paid	5674.70	3117.33	178.42
Actuarial gain / (loss)	(570.18)	2278.29	188.22
Closing defined benefit obligation	18690.78	10521.12	96.90
<b>(ii) <u>Change in Fair Value of Assets</u></b>			
Opening fair value of plan assets	23574.24	1780.10	
Expected return on plan assets	1979.09	154.29	
Actuarial gain / (loss)	21.71	0.00	
Contributions by employer	3622.59	3316.98	
Benefits paid	5674.70	3117.33	
Closing fair value of plan assets	23522.93	2134.04	
<b>(iii) <u>Amount recognized in the Balance Sheet</u></b>			
Opening Net Liability	(1236.16)	7755.82	
Expenses Recognized	26.60	3948.24	188.22
Contributions	3622.59	3316.98	
Closing Net Liability	(4832.15)	8387.08	188.22
Closing Fund / Provision at end of year	18690.78	10521.12	96.90
<b>(iv) <u>Expenses recognized in the Profit and Loss Account</u></b>			
Current service cost	940.02	1146.17	
Interest cost	1657.56	678.07	
Expected Return on Plan Asset	1979.09	154.29	
Net actuarial gain / loss recognized in the current year	(591.89)	2278.29	188.22
Expenses Recognized as on 31.03.2016	26.60	3948.24	188.22

The details of the plan assets as on 31.03.2016 towards gratuity & leave encashment are as follows:

(₹ in lac)

Investment in Life Insurance Corporation of India	10354.39
Investment in SBI Life Insurance Ltd	15247.87
Fund with Gratuity Trust Savings Bank Accounts	54.71
<b>Total</b>	<b>25656.97</b>



## NOTES FORMING PART OF THE ACCOUNTS (Contd.)

Actual Return on Plan Assets during the year - ₹2133.38 lac.

The principal assumptions used for actuarial valuation are :

i) Method used	Projected Unit Credit Method
ii) Discount Rate	8.50%
iii) Expected Rate of Return on Assets	8.50% & 9.05%
iv) Inflation Rate	6.00%

The estimates of future salary increases were considered in actuarial valuation after taking into account inflation, seniority, promotion and other relevant factors. Further, the expected return on plan assets is determined considering several applicable factors mainly the composition of plan assets held, assessed risk of asset management and historical returns from plan assets.

26. The physical verification of raw materials, WIP and finished goods have been conducted departmentally at reasonable intervals during the year. In respect of stores and spares, physical verification has been conducted by the external agencies once in a year during the year. Shortages/ (Excesses) identified on such physical verification which were not material in nature have been duly adjusted in the books of accounts.
27. Excise duty deducted from Gross Sales is the excise duty on Gross Turnover for the year under review. However, the excise duty related to the difference between the closing stock and opening stock is recognized separately in the statement of Profit & Loss as follows:

(₹ in lac)

	As on 31.03.2016	As on 31.03.2015
Excise Duty on Closing Stock	1423.10	812.33
Less: Excise Duty on Opening Stock	812.33	1195.21
Net Excise Duty	<b>610.77</b>	<b>(382.88)</b>

28. As per Accounting Policy No.3.6, the physical verification of fixed assets which is required to be conducted once in every three years has not been conducted during the year under review since such verification was last conducted in F.Y.2013-14.
29. Work in process includes stock of concentrate valued ₹1.64 lac (Previous Year ₹3222.83 lac) lying with third party at the end of the year.
30. Domestic sales during the year include debits of ₹582.65 lac being rectification of sale of anode slime arising out of tolling of concentrate from the third party wrongly credited to the sales account in the preceeding F.Y. 2014-15.
31. The previous year's figures have been regrouped / rearranged, wherever necessary.



NOTES FORMING PART OF THE ACCOUNTS (Contd.)

35.GENERAL NOTES ON ACCOUNTS :											
Additional information forming part of accounts for year ended March 31, 2016											
35.1 Capacities,production,stocks and sales											
(Figures in brackets pertain to those of previous year)											
Class of goods	Unit	Licensed capacity	Installed capacity (As certified by management)	Actual production	Opening Stock		Closing Stock		Sales		Issued for internal consumption/ intermediate and others products Quantity
					Quantity	Value ₹ in lac	Quantity	Value ₹ in lac	Quantity	Value ₹ in lac	
<u>Manufacturing Activities</u>											
<u>a : Main products</u>											
1 Wire bar	MT	39400 (39400)	39400* (39400)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
2 Wire rod	MT	60000 (60000)	60000 (60000)	21252 (16682)	307 (234)	1281.07 (868.32)	434 (307)	1600.42 (1281.07)	21125 (16609)	89594.77 (81653.42)	- (-)
3 Cathode including Toll Smelted Cathode	MT	49500 (49500)	18500** (18500)	23024 (21205)	847 (1373)	2849.53 (4640.66)	2234 (847)	7443.83 (2849.53)	285 (5032)	1187.54 (24924.45)	21352 (16699)
<u>b : By products</u>											
1 Gold	KG	264 (264)	698 (698)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
2 Silver	KG	4763 (4763)	9868 (9868)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
3 Nickel sulphate	MT	250 (250)	390 (390)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
4 Selenium	KG	10000 (10000)	14600 (14600)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
5 Sulphuric acid	MT	236000 (236000)	236000 (236000)	10669 (15060)	1119 (2336.00)	80.05 (92.45)	5162 (1119)	290.38 (80.05)	4888 (14510)	298.41 (883)	1738 (1767)



NOTES FORMING PART OF THE ACCOUNTS (Contd.)

**35. GENERAL NOTES ON ACCOUNTS :**

**Additional information forming part of accounts for year ended March 31, 2016**

**35.1 Capacities, production, stocks and sales**

(Figures in brackets pertain to those of previous year)

Class of goods	Unit	Licensed capacity	Installed capacity (As certified by management)	Actual production	Opening Stock		Closing Stock		Sales		Issued for internal consumption/intermediate and others products Quantity
					Quantity	Value ₹ in lac	Quantity	Value ₹ in lac	Quantity	Value ₹ in lac	
<b>c: Allied and semi-Finished products</b>											
<b>1 Anode slime</b>	<b>MT</b>	NA	-	27	3	490.53	1	166.52	29	3862.79	-
		(NA)	(-)	(34)	(7)	(1250.58)	(3)	(490.53)	(38)	(4113.70)	-
<b>2 Copper mould</b>	<b>MT</b>	NA	-	-	19	21.34	19	21.34	-	-	-
		(NA)	(-)	(-)	(19)	(21.34)	(19)	(21.34)	(-)	(-)	(-)
<b>3 Kyanite</b>	<b>MT</b>	NA	-	-	-	-	-	-	-	-	-
		(NA)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
<b>4 Others</b>	<b>MT</b>	NA	-	-	-	-	-	-	-	11950.97	****
		(NA)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(1174.82)	
<b>d: Work in progress</b>						32463.19 (28875.57)		36384.19 (32463.19)			
<b>GRAND TOTAL</b>						37185.71 (35748.92)		45906.68 (37185.71)		106894.48 (112749.39)	

Note :

\* Due to change in product demand, the Company is no longer making this product.

\*\* Although the Installed Capacity of Cathode is shown as 49500 MT ( KCC - 31000 MT & ICC - 18500 MT), due to economic consideration the Company suspended KCC Smelter & Refinery from December 2008.

\*\*\*\*\*Other Sales value includes

₹ in lac

MCP Conc	KCC Conc	Copper Sulphate	Revert	Anode slime Credit	Lib. Cathode	Mag./Red/Copper Jam	Slag	Anode Slag	Copper Dust	Others
5383.66	2073.93	352.89	2319.41	1202.98	142.13	144.39	116.01	60.07	49.18	106.32



## NOTES FORMING PART OF THE ACCOUNTS (Contd.)

### 35. GENERAL NOTES ON ACCOUNTS (Contd.)

Additional information forming part of accounts for year ended March 31, 2016

#### 35.2 Raw materials consumed

	Quantity		Value	
	Year ended 2015-2016	Year ended 2014-2015	Year ended 2015-2016	Year ended 2014-2015
	MT	MT	₹in Lac	₹in Lac
Concentrate own production	106152	105484	50195.67	56089.64
Concentrate excluding own production	—	—	—	—
Cathode	—	—	—	—

#### 35.3 Imported and indigenous raw materials, stores

spare parts and components consumed  
( as certified by the management )

##### RAW MATERIALS:

	%	%		
Imported	—	—	—	—
Indigenous	—	—	—	—
	—	—	—	—

##### STORES & SPARES:

(Direct and Stores & Spares  
booked in Mine Development,  
Shut-down and Fuel)

Imported	1.16	1.12	262.97	254.23
Indigenous	98.84	98.88	22471.34	22490.07
	<u>100.00</u>	<u>100.00</u>	<u>22734.31</u>	<u>22744.30</u>

#### 35.4 C.I.F. value of imports

Raw Material		
Components, spare parts and stores	151.74	80.30
Capital goods	—	0.87
	<u>151.74</u>	<u>81.17</u>

#### 35.5 Expenditure in foreign currency

Travelling	41.94	10.76
Advertisement	—	—
Others	856.22	329.02
	<u>898.16</u>	<u>339.78</u>



## NOTES FORMING PART OF THE ACCOUNTS (Contd.)

### 35. GENERAL NOTES ON ACCOUNTS

#### Additional information forming part of accounts for year ended March 31, 2016 (Contd.)

	Year ended 2015-2016 (₹ in lac)	Year ended 2014-2015 (₹ in lac)
<b>35.6 Earning in foreign exchange</b>		
Export of goods (FOB)	13639.80	2040.89
	<b>13639.80</b>	<b>2040.89</b>
<b>35.7. Payment to Whole-time Directors</b>		
Salaries and allowances	188.40	147.61
Company's contribution to provident and other funds	11.11	11.02
Re-imbursement of medical expenses	0.23	0.19
Leave Encashment	21.93	7.60
Gratuity	10.00	—
Leave Travel Concession	—	—

#### NOTE :

In addition, the Whole-time Directors are allowed the use of company car for private purpose and have been provided with residential accommodation as per terms of their appointment/Government guidelines.



---

## NOTES

---





## HINDUSTAN COPPER LIMITED

(CIN: L27201WB1967GOI028825)

Regd. Office: 'Tamra Bhavan', 1, Ashutosh Chowdhury Avenue, Kolkata - 700 019

Phone: 2283-2226, Fax: 2283-2676, E-mail: investors\_cs@hindustancopper.com

Website: www.hindustancopper.com

### Proxy Form

Name of the member (s):.....

Registered Address:.....

.....E-mail ID.....

Folio No. / DP ID ..... Client ID:.....

I/We, being the member (s) of ..... shares of the Hindustan Copper Limited, hereby appoint.

1. Name:..... Address: .....

Email Id..... Signature.....or failing him.

2. Name: ..... Address: ..... ..

Email Id: ..... Signature.....or failing him.

3. Name:..... Address: .....

Email Id: ..... Signature: .....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 49th Annual General Meeting of the Company, to be held on Monday, 26th September, 2016 at 10:30 a.m. at 'Tamra Bhavan, 1, Ashutosh Chowdhury Avenue, Kolkata - 700 019 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.

1.....2.....3.....4.....

5.....6.....7.....8.....

9.....10.....11.....12.....

13.....

Signed this..... day of ..... 2016.

Signature of Shareholder..... (Affix Revenue Stamp)

Signature of Proxy Holder(s).....

**Note: This form of Proxy in order to be effective should be duly completed, stamped as per applicable laws, signed and deposited at the Registered Office of the Company not less than forty eight hours before the commencement of the meeting. Unstamped or inadequately stamped Proxies or Proxies upon which the stamps have not been cancelled are invalid. The Proxy holder shall prove his identity at the time of attending the meeting.**







If undelivered please return to:

## **Hindustan Copper Limited**

A Miniratna Category - I

Government of India Enterprise

'Tamra Bhavan', 1, Ashutosh Chowdhury Avenue, Kolkata - 700019

CIN: L27201WB1967GOI028825

Website: [www.hindustancopper.com](http://www.hindustancopper.com)

E-mail: [investors\\_cs@hindustancopper.com](mailto:investors_cs@hindustancopper.com)

Contact No.: (033) 2283 2226

Fax: (033) 2283 2676