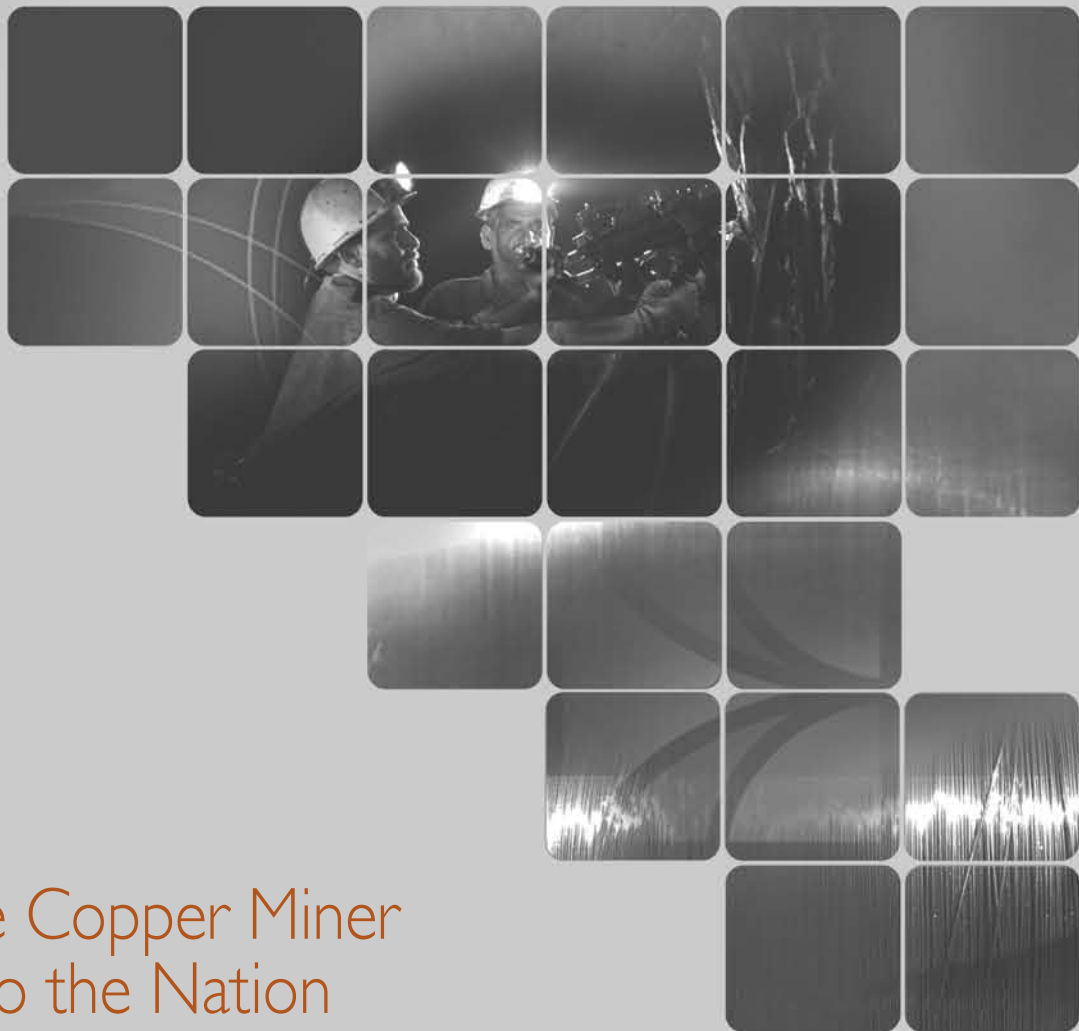




हिन्दुस्तान कॉपर लिमिटेड
Hindustan Copper Limited

Annual Report 2013-14



The Copper Miner
to the Nation

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 green field 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)

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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	11. Schedule forming part of the Balance Sheet	55
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“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 at page 4 & 5

Forty Seventh Annual General Meeting on Friday, September 19, 2014 at 11.00 a.m.

The Annual Report can be accessed at www.hindustancopper.com



BOARD OF DIRECTORS



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



Shri Arun Kumar
Govt. Nominee
Director



Ms. Sujata Prasad
Govt. Nominee
Director



Shri Anupam Anand
Director (Personnel)



Shri Avijit Ghosh
Director (Mining)



Shri S. Nanda
Director (Operation)



Shri V. V. Venugopal Rao
Director (Finance)



Shri Arvind Sahay
Independent Director



Shri G. P. Joshi
Independent Director



Shri Puneesh Kr. Kapoor
Independent Director



Ms. Bulbul Sen
Independent Director



Shri U. D. Choubey
Independent Director



Shri V. K. Srivastava
Independent Director



Shri Ashok Kumar Singh
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 47th Annual General Meeting of the members of Hindustan Copper Limited will be held on Friday, the 19th September, 2014 at 11 am at the registered office of the Company at 'Tamra Bhavan' 1 Ashutosh Chowdhury Avenue, Kolkata-700 019 to transact the following business :-

Ordinary Business

- 1) To receive, consider and adopt the audited Profit and Loss Account for the year ended 31st March, 2014, the Balance Sheet as on that date together with the Directors' Report, Auditors' Report and C&AG's comments thereon.
- 2) To declare dividend on equity shares.
- 3) To appoint a director in place of Shri Kailash Dhar Diwan (DIN 01829545), who retires by rotation and is eligible for reappointment.
- 4) To appoint a director in place of Shri Anupam Anand (DIN 02752767) who retires by rotation and is eligible for reappointment.
- 5) To fix the remuneration of the Auditors.

Special Business

- 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 Dr. Upendra Dutta Choubey (DIN 00153988) as Director on the Board of the Company with effect from 22.10.2013 in terms of Ministry of Mines' order No.10/4/2003-Met.III dated 22.10.2013 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 Shri Virendra Kumar Srivastava (DIN 00611678) as Director on the Board of the Company with effect from 22.10.2013 in terms of Ministry of Mines' order No.10/4/2003-Met.III dated 22.10.2013 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 Ashok Kumar Singh (DIN 00907683) as Director on the Board of the Company with effect from 22.10.2013 in terms of Ministry of Mines' order No.10/4/2003-Met.III dated 22.10.2013 be and is hereby approved."
- 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 V V Venugopal Rao (DIN 02950920) as Director (Finance) of the Company with effect from 10.9.2013 in terms of Ministry of Mines' order No.10/2/2013-Met.III (Vol.II) dated 23. 8. 2013 and letter No 10/2/2013-Met.III (Vol.II) dated 3.1.2014 containing detailed terms and conditions of appointment 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 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 ₹50,000/- (Rupees Fifty 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 Board of Directors, to be paid to M/s. Chatterjee and Co appointed as Cost Auditor to conduct audit of cost records of the Company for the financial year 2014-15 be and is hereby ratified and confirmed."

By order of the Board

C S Singhi
GM & Co Secretary

Date : 22nd August, 2014



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) The Register of Members and Share Transfer Books of the Company will remain closed from 9th September, 2014 to 19th September, 2014 (both days inclusive).
- 3) Dividend on equity shares as recommended by the Board, if approved at the meeting will be paid within 30 days of declaration to those members whose names appear in the Company's Register of Members and as per beneficial owners position received from NSDL & CDSL as at the close of working hours on 8th September, 2014.
- 4) Members are requested to notify immediately change in their address, if any, to the Depository Participants (DPs) in respect of their electronic shares, and to the Company at its registered office in respect of their physical shares, quoting the folio numbers.
- 5) Members desirous of getting any information about the accounts and operations of the Company or intending to raise any query at the Annual General Meeting (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) In terms of Circular No.CIR/MRD/DP/10/2013 dated 21st March, 2013 issued by Securities and Exchange Board of India (SEBI), henceforth payment of dividend will be made through any Reserve Bank of India approved electronic mode of payment such as ECS / NECS / NEFT etc. only. Further, in order to enable usage of electronic payment instruments as per above SEBI Circular, the Company is required to maintain requisite bank account details of its investors. Accordingly, Members are requested to provide correct Bank Account details (including MICR No., IFSC Code, Account Type etc.) to their Depository Participant if the shares are held in demat form. In case the shares are held in physical form, such details along with a cancelled cheque should be sent to the the Company's Registrars & Share Transfer Agent (RTA), M/s. C B Management Services (P) Limited in order to enable the Company to credit the dividend amount directly to your Bank account. In case of non availability of MICR No. and IFSC Code, Dividend Warrant will be sent after mandatorily printing your Bank particulars on it. Further, members holding shares in dematerialized form and not submitted National Electronic Clearing System (NECS) form may please note that the bank account details as provided by their Depository Participants to the Company will be printed on the dividend warrants. The Company will not entertain any direct request from such members for deletion of or change in such Bank Account details. As such, they are requested to immediately intimate their Depository Participants about any changes in their bank account details.
- 8) In terms of SEBI Circular No CIR / CFD /DIL /8 /2012 dated 13th August, 2012, Business Responsibility Report (BRR) has been prepared and hosted on the website of the Company www.hindustancopper.com. Members desiring to have copy of BRR may send a request to this effect to the RTA, M/s. C B Management Services (P) Ltd,P- 22, Bondel Road, Kolkata- 700 019 or send e-mail at investors_cs@hindustancopper.com
- 9) Pursuant to the Circular No 17/2011 dated 21st April, 2011 and Circular No 18/2011 dated 29th April, 2011 on green initiative issued by the Ministry of Corporate Affairs, shareholders holding shares in



physical form are requested to register their e-mail address with the Company or Registrars & Share Transfer Agent (RTA) or those holding shares in electronic mode with their concerned depository participant. Any changes therein may also be informed from time to time, to enable the Company to serve notice / documents through e-mail.

Shareholders holding shares in physical mode are requested to visit the following web page of Company's RTA, M/s. C B Management Services (P) Limited to register their e-mail address and exercise option accordingly:

www.cbmsl.com/green.php

Shareholders holding shares in demat mode and intend to receive the Annual Report in physical form may likewise visit the abovementioned web page to exercise their option.

- 10) The Shareholders, who are still holding shares in physical form are requested to covert their shares in demat mode to avail easy liquidity since trading in shares of the Company are under compulsory demat mode as per the regulation of SEBI and this also prevent incidence of loss of physical share certificate.
- 11) SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form may please submit their PAN details to the Company / Registrar and Transfer Agent.
- 12) Members are requested to:-
 - a. produce the enclosed Attendance Slip duly filled & signed as per specimen signature recorded with the Company / Depository Participants 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.
 - f. note that no gifts / coupons shall be given to the members attending the meeting.**
- 13) Instructions for Voting through electronic means:

Pursuant to Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide its members the facility to exercise their right to vote at the 47th AGM by electronic means. Voting rights shall be reckoned on the number of shares registered in the names of the shareholders as on 8.8.2014. The Company has engaged the services of Central Depository Services (India) Limited (CDSL) to provide the e-voting facilities. The e-voting procedure is given hereunder:

 - (i) Log on to the e-voting website www.evotingindia.com
 - (ii) Click on "Shareholders" tab.
 - (iii) Now, select the Electronic Voting Sequence Number '140725016' along with "HINDUSTAN COPPER LIMITED" from the drop down menu and click on "SUBMIT"
 - (iv) 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 Captcha Code as displayed and click on Login.



- (v) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vi) If you are a first time user fill up the following details in the appropriate boxes and follow the steps given below :

PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (applicable for both demat shareholders as well as physical shareholders).
DOB#	Enter the Date of Birth as recorded in your demat account or in the Company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the Company Records for the said demat account or folio.

*Members who have not updated their PAN with the Company/Depository Participant can enter in the PAN field the 10 characters as First 2 Alphabets of the First Holder Name followed by:

- a) For shareholders holding shares in physical form - 8 characters consisting of Folio Number prefix by "00" No special characters will be taken from the name and folio number. Example: Mr. AJAY SRIVASTAVA and folio number is A00640, the PAN to be entered will be AJ00A00640.
- b) For shareholders holding shares in dematerialized form: 8 characters from right of CLIENT ID Number. No special characters will be taken from the name and Client Id. Example: Mr. AJAY SRIVASTAVA and Client id is 45436217 the PAN to be entered will be AJ45436217.

Please enter any one of the details in order to login. In case both the details are not recorded with the Depository or Company, please enter the member id/folio number in the Dividend Bank details field.

- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) Members holding shares in physical form will then reach directly the EVSN 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.
- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the Resolutions contained in this Notice.
- (x) Click on the EVSN for the relevant 'HINDUSTAN COPPER LIMITED' on which you choose to vote.
- (xi) 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.
- (xii) Click on the "Resolutions File Link" if you wish to view the Resolutions.
- (xiii) 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.
- (xiv) Once you "CONFIRM" your vote on the Resolution, you will not be allowed to modify your vote.
- (xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.



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- (xvi) If demat account holder has forgotten the changed password then enter the User ID and image Captcha Code on Forgot Password & enter the details as prompted by the system.
- (xvii) The voting shall commence at 10 a.m. on 9th September, 2014 and shall close at 5 p.m. on 11th September, 2014. You can log in any number of times till you have voted on the resolution(s) or till the end of the voting period (i.e. 9th September, 2014) whichever is later.
- (xviii) Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporate. After receiving the login details they have to link the account(s) which they wish to vote on and then cast their vote. They should upload a scanned copy (PDF/JPG format) of the relevant Board Resolution/Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer's email at goenkamohan@gmail.com with a copy marked to helpdesk.evoting@cdslindia.com before 9th September, 2014 without which the voting shall not be treated as valid.
- (xix) Mr. Mohan Ram Goenka, Company Secretary in wholetime practice (Membership No. FCS 4515, CP No. 2551) of 46, B B Ganguly Street, 406, Kolkata - 700012 has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner whose email id is goenkamohan@gmail.com. In case you have any queries or issues regarding e-voting, please contact at helpdesk.evoting@cdslindia.com.
- (xx) The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.hindustancopper.com and on the website of CDSL within two days of the passing of the resolutions at the forty seventh Annual General Meeting of the Company on 19th September, 2014 and shall be communicated to the BSE Limited and National Stock Exchange of India Limited where the shares of the Company are listed.
- (xxi) The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a Scrutinizer's Report on the votes cast in favour or against, if any forthwith to the Chairman of the Company.
- (xxii) Members, who do not have access to e-voting, may requisite a Physical Ballot Form from the Company's RTA. Members are required to fill the Physical Ballot Form and enclose it in a sealed envelope and send it to the Scrutinizer. Unsigned/ wrongly signed, incomplete or incorrectly ticked forms shall be rejected. The Scrutinizer's decision on the validity of the Form will be final. Members are required to vote either through the electronic system or through physical ballot and not in any other form. In the event of members cast votes through both the processes, the vote in the electronic system would be considered only. The Physical Ballot Form must be received by the Scrutinizer on or before 11th September, 2014 (5:00 pm).
- (xxiii) 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.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.
- 14) Relevant documents referred to in the accompanying notice or the statutory registers, as applicable to the Company, are open for inspection at the Registered Office of the Company on all working days (barring Saturday and Sunday) between 11.00 a.m. to 1.00 p.m. prior to the date of the AGM.
- 15) Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, in respect of Item no 6, 7, 8, 9 & 10 as set out above is annexed hereto.



ANNEXURE TO NOTICE

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

Item No.6

Dr. Upendra Dutta Choubey, Director General, Standing Conference of Public Enterprises has been appointed as part-time non-official / independent Director of the Company with effect from 22.10.2013 in terms of Ministry of Mines' order No.10/4/2013-Met.III dated 22.10.2013. It is now proposed to regularise his appointment at the ensuing 47th AGM of the Company in order to comply with the relevant provisions of the Companies Act, 2013.

Dr. Upendra Dutta Choubey, 65 years of age, is M.Sc. (Gold Medallist), Ph.D. (Hydrocarbon), Honorary Ph.D. in Management, MBA, Bachelor of Law (University of Delhi). Dr. Choubey was CMD, GAIL India Ltd during the period from February, 2007 to July, 2009 and Director (Marketing), GAIL India Ltd from May, 2004 to January, 2007 and was responsible for marketing GAIL's complete range of products and services in the field of natural gas, including R-LNG, LPG, Propane and other liquid hydrocarbons, Petrochemicals (HDPE and LLDPE) and Bandwidth Leasing in Telecom sector. He joined GAIL in April 1986, during its formative period and has been associated with the marketing department since then. Throughout the professional career, he played a leading role in the development of gas-related policies and strategy. Dr. Choubey received "Distinguished Fellowship Award" of Institute of Directors in August 2007 for his contribution in the field of natural gas marketing and market development, "GSBA Top Rankers Achievers Award" in November 2007 for exemplary professional achievement in Corporate Sector, and "Lifetime Achievement Award" from Amity University in February 2008 in recognition of his outstanding contribution to the overall development of social and business economies. He also authored a book titled "Text Book on Natural Gas".

Dr. Upendra Dutta Choubey does not hold directorship in other companies. He also does not hold any shares in the Company.

Dr. Upendra Dutta Choubey has furnished a declaration to the Board that he meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013. In the opinion of the Board, Dr. Choubey fulfils the conditions specified in the Companies Act, 2013 and rules made there under for his appointment as part time non-official / independent Director of the Company. The Board considers that his continued association would be of immense benefit to the Company and recommends his appointment on the Board. Dr. Choubey 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 subject to such limits as may be prescribed from time to time.

Except Dr. Upendra Dutta Choubey, none of the Directors or Key Managerial Personnel 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. This Explanatory Statement may also be regarded as a disclosure under clause 49 of the listing agreement with the Stock Exchange.

Item No.7

Shri Virendra Kumar Srivastava, Ex-Managing Director, Bokaro Steel Plant has been appointed as part-time non-official / independent Director of the Company with effect from 22.10.2013 in terms of Ministry of Mines' order No.10/4/2013-Met.III dated 22.10.2013. It is now proposed to regularise his appointment at the ensuing 47th AGM of the Company in order to comply with the relevant provisions of the Companies Act, 2013.

Shri Virendra Kumar Srivastava, 64 years of age, is BE(Mechanical) from University of Roorkee, Bachelor in Industrial Engineering from IIIE, Mumbai, ICWAI(Inter) and Diploma in Management from AIMA, New Delhi. Shri Srivastava was associated with SAIL/ Bokaro Steel Plant (BSP) in different capacities during the



period from 1973 to 2010 which included GM (Rolling Mills) from 1999 to 2003, Executive Director (Works) from December, 2003 to June, 2006 and later on as Managing Director, BSP during the period from June, 2006 to July, 2010. Shri Srivastava was also Chairman/ Board of Governors, Birsa Institute of Technology/ Sindri (Jharkhand) and had held directorship in HSCL (PSU of Ministry of Steel), BPSCL (JV of SAIL and DVC) and Bokaro Jaypee Cement Ltd.

Shri Srivastava is presently Consultant (Steel Sector) and also independent Director on the Board of Thejo Engineering Ltd. He does not hold any shares in the Company.

Shri Virendra Kumar Srivastava has furnished a declaration to the Board that he meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013. In the opinion of the Board, Shri Srivastava fulfils the conditions specified in the Companies Act, 2013 and rules made there under for his appointment as part time non-official / independent Director of the Company. The Board considers that his continued association would be of immense benefit to the Company and recommends his appointment on the Board. Shri Srivastava 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 subject to such limits as may be prescribed from time to time.

Except Shri Virendra Kumar Srivastava, none of the Directors or Key Managerial Personnel 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. This Explanatory Statement may also be regarded as a disclosure under clause 49 of the listing agreement with the Stock Exchange.

Item No.8

Shri Ashok Kumar Singh, Ex-CMD, Central Mine Planning & Design Institute (CMPDI) has been appointed as part-time non-official / independent Director of the Company with effect from 22.10.2013 in terms of Ministry of Mines' order No.10/4/2013-Met.III dated 22.10.2013. It is now proposed to regularise his appointment at the ensuing 47th AGM of the Company in order to comply with the relevant provisions of the Companies Act, 2013.

Shri Ashok Kumar Singh, 62 years of age, is B. Tech (Mining) from Indian School of Mines (ISM), Dhanbad, DISM (L/W Mech) and Diploma in Management (IGNOU). Shri Ashok Kumar Singh had worked in different capacities in the mines of BCCL and Regional Institute-II (Dhanbad), CMPDI from 1975 to 1986 and 1986 to 1997 respectively. During this period, Shri Singh was actively associated with mechanization in underground mines like Sudamdih, Moonidih and was trained under Colombo Plan for four months in Longwall Mine Mechanization at National Coal Board (NCB), UK, France and Germany (1980). He worked in large opencast mines of M/s Northern Coalfields Limited e.g. Nigahi (15 MTPA), Amlohri (10 MTPA) from 2000 to 2006 as General Manager and Chief General Manager. During this period he was inter-alia actively involved with Environmental Measure and Social Mitigation Project aided by World Bank for CIL Mines and ISO 14001 certification of NCL. Shri Singh was selected by PESB as Director (Tech) for M/s Central Coalfields Limited, Ranchi in October, 2006 and again as Chairman-cum-Managing Director of CMPDI in January, 2008. During this period, Shri Singh also held additional charge of CMD, Mahanadi Coalfields Limited (MCL) from September, 2010 to February, 2011 and CMD of South Eastern Coalfields Limited (SECL) from March, 2011 till August, 2011. Presently, Shri Singh is Rajiv Gandhi Chair Professor of Environmental Science & Engineering department at ISM, Dhanbad.

Shri Singh is life member of Mining Geological & Metallurgical Institute of India (MGMI) and Indian Mine Manager's Association (IMMA). He is also independent Director of the Board of Mineral Exploration Corporation Limited. He does not hold any shares in the Company.

Shri Ashok Kumar Singh has furnished a declaration to the Board that he meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013. In the opinion of the Board, Shri Singh fulfils the conditions specified in the Companies Act, 2013 and rules made there under for his appointment as part time



non-official / independent Director of the Company. The Board considers that his continued association would be of immense benefit to the Company and recommends his appointment on the Board. Shri Singh 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 subject to such limits as may be prescribed from time to time.

Except Shri Ashok Kumar Singh, none of the Directors or Key Managerial Personnel 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. This Explanatory Statement may also be regarded as a disclosure under clause 49 of the listing agreement with the Stock Exchange.

Item No.9

Shri V V Venugopal Rao has been appointed as Director (Finance) of the Company in terms of Ministry of Mines' order No. 10/2/2013-Met.III (Vol.II) dated 23.8.2013 and he joined with effect from 10.9.2013. Detailed terms and conditions of appointment including remuneration payable to Shri V V Venugopal, Director (Finance) have been issued by the Ministry of Mines, Government of India vide their letter No 10/2/2013-Met.III (Vol.II) dated 3.1.2014. It is now proposed to regularize his appointment at the ensuing 47th AGM of the Company in order to comply with the relevant provisions of the Companies Act, 2013.

Shri V V Venugopal Rao, 51 years of age, is M. Sc (Ecology & Environment), B (Com) and ACA. Prior to joining HCL, Shri Rao was Director (Finance) in Braithwaite & Co. Ltd., a PSU under the Ministry of Railways during the period from 18.01.2010 to 10.9.2013. Shri Rao had worked in various capacities in Steel Authority of India Ltd (SAIL) including as Assistant General Manager in MD's Technical Secretariat of SAIL, Bhilai Steel Plant during the period from January, 2004 to January, 2010 and directly reporting to the Managing Director. Shri Rao was Manager (Finance)-in-charge of Cash and Public Deposit Scheme Sections during July, 2002 to January, 2004 and prior to that he was Manager (Finance) holding an independent charge of Finance & Accounts Department of Nandini Mines (One of the largest Limestone Mines in Asia) during the period from January, 1998 to July, 2002.

Shri V V Venugopal Rao does not hold directorship in other companies. He also does not hold any shares in HCL. The Board considers that his continued association would be of immense benefit to the Company and recommends his appointment as Director (Finance) & CFO of the Company.

Except Shri V V Venugopal Rao, none of the Directors or Key Managerial Personnel 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. This Explanatory Statement may also be regarded as a disclosure under clause 49 of the listing agreement with the Stock Exchange.

Item No.10

The Board, on the recommendation of the Audit Committee, approved appointment of M/s. Chatterjee and Co, as Cost Auditor, to conduct audit of cost records of the Company for the financial year 2014-15 at a remuneration of Rs.50,000/- (Rupees Fifty 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 Companies Act, 2013 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 Resolution at Item No.10 of the Notice is set out as an Ordinary Resolution for approval and ratification by the members of the Company.

None of the Directors or Key Managerial Personnel 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.

Brief resume of directors who are retiring and eligible for reappointment furnished in terms of clause 49 of the listing agreement:



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 Ministry of Mines' 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 Ministry of Mines' order No.10(3)/2006-Met.III dated 28.6.2007.

Shri Kailash Dhar Diwan, 57 years of age, 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 29 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 Kailash Dhar Diwan does not hold directorship in other companies. He also does not hold any shares in the Company.

Shri Anupam Anand

Shri Anupam Anand had been appointed as Director (Personnel) of the Company in terms of Ministry of Mines' order No.10 (3)/2008 dated 14.7.2009 and he joined with effect from 5.8.2009.

Shri Anupam Anand, 54 years of age, 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 Anupam Anand does not hold directorship in other companies. He also does not hold any shares in the Company.



Form for National Electronic Clearing Service (NECS) for payment of Dividend

(Please use Capital Letters)

1. Folio No :
2. DP ID * :
- Client ID * :
3. No of shares :
4. First shareholder's name :
5. First shareholders' address :
6. Telephone/Mobile No :
7. E-mail address :
8. Bank Particulars
- i) Bank Name :
- ii) Branch Name & Address :
- iii) Account No (as appears in the cheque book) :
- iv) Account type (Savings/Current/ Cash Credit/NRO/NRE) :
- v) 9 digit MICR Code as appearing on the cheque :
- vi) IFSC (Indian Financial System Code) : as appearing on the cheque

I wish to opt for NECS facility for payment of dividend. I hereby declare that the particulars furnished above are correct and complete. If any transaction is delayed or not effected at all for reasons of incompleteness or incorrectness of information provided as above or any error made by the Bank(s), the Company will not be held responsible. I also undertake to advise any change in the particulars of my Bank account to facilitate updation of records for the purpose of credit of the amount through NECS.

Place:

Date:

(_____)

Signature of First/Sole Shareholder

Note:

- i) Please attach xerox copy of the cheque or a blank cheque of your Bank duly cancelled, for ensuring accuracy of the Bank's name, branch and 9 digit MICR code.
- ii) In case of shareholders holding equity shares in demat form, the above particulars may please be provided to the depository participants for availing the facility of payment of dividend through NECS.

(* Applicable for investors holding share(s) in electronic mode)



REPORT OF THE BOARD OF DIRECTORS

The Shareholders

Hindustan Copper Limited

Kolkata

Your Directors have pleasure in presenting the forty-sixth Annual Report of the Company together with the audited statement of accounts and Auditors' Report thereon for the year ended 31 March, 2014.

1. Financial Review

i. Financial Performance

The comparative working results for the FY 2013-14 vis-à-vis FY 2012-13 are as under:

(₹ in crore)

		2013-14	2012-13
(a)	Turnover	1616	1475
(b)	Profit before depreciation, interest & tax	448	426
(c)	Less : Depreciation	15	18
(d)	Less : Interest & Finance Charges	2	4
(e)	Profit before tax	431	404
(f)	Less : Provision for Taxes(including deferred tax)	145	48
(g)	Profit after tax	286	356
(h)	Add:/(less) Statutory appropriation	0	0
(i)	Distributable Profit	286	356
(j)	Add: Balance brought forward from the previous year	903	682
(k)	Balance available for appropriation	1189	1038
	i) Dividend	93	93
	ii) Corporate Dividend Tax	16	16
	iii) Amount transferred to General Reserve	22	26
(l)	Balance in P&L account to be carried forward	1059	903
(m)	Earnings per Share(₹)	3.10	3.84

During financial year (FY) 2013-14 HCL posted a Profit before tax (PBT) of ₹431 Crore as against ₹404 Crore clocked during the previous year registering a rise of around 6.68%. The turnover of the Company was ₹1615.90 Crore during FY 2013-14 as against ₹1475.27 Crore during FY 2012-13 registering an increase of around 9.53%. The total expenditure of the Company declined by about 0.70% by posting a number of ₹1206.82 Crore as against ₹1214.56 Crore year-on-year. However the Profit After Tax (PAT) during FY 2013-14 is ₹286.42 Crore as against ₹355.64 Crore in 2012-13.

ii. Dividend

The Board of Directors of your Company have recommended payment of dividend @ 20% on equity, i.e., ₹1/- per share of ₹5/- face value for the year 2013-14, for approval of shareholders in the Annual General Meeting. The outgo on this account will be ₹92.52 Crore for dividend and ₹15.72 Crore towards tax on dividend, aggregating to a total outgo of ₹108.24 Crore.

iii. Transfer to Reserves

Your Directors have proposed to transfer ₹21.75 Crore to General Reserve account from the profits available for appropriation.



2. Physical Performance

The comparative physical performance of production and sales for the year 2013-14 vis-a-vis 2012-13 is as under:

Particulars	2013-14	2012-13
Ore ('000 Tonnes)	3,827	3,657
Metal in concentrate (MIC) (Tonnes)	32,276	29,285
Cathode (Tonnes)	22,825	24,210
CC Wire Rod (Tonnes)	22,976	20,368
Sales (Tonnes):		
CCRod	14,826	20,729
Cathode	7,386	3,783
MIC	8,361	1,330
Total	30,573	25,842

Highlights:

- Ore production of 38.27 lakh tonnes during the year is the highest in last 15 years and 5 % higher as compared to the previous year.
- Metal –in-Concentrate (MIC) production of 32,276 MT during the year is the highest in last 12 years and 10% higher as compared to the previous year.
- CC Rod production of 22,976 MT during the year is 13% higher as compared to the previous year.
- Sales performance is about 18% higher as compared to the previous year.

Factor Affecting Performance

Breakdown of Crusher, loader, loco and hoisting systems at Khetri and Kolihan underground mines of Khetri Copper Complex (KCC) and backlog of mine development restricted the achievement of higher ore production.

Remedial Action

Company has made a comprehensive Replacement & Renewal (R & R) plan for the year 2014-15 to improve the reliability and availability of the equipment deployed for production in both open cast and underground mines. An amount of ₹38.0 Crore has been allocated by the Company under R&R budget.

Necessary steps have been initiated to enhance excavation at MCP open pit mine to expose more ore faces.

Major overhauling of ICC Smelter & Refinery has been done during the year 2013-14 for enhanced cathode production on a sustained basis.

3. Product wise Sales Performance

Sales performance is about 18% higher as compared to previous year. Item-wise break-up of sales is as follows:

Products	(in MT)	
	2013-14	2012-13
CC Rod	14,826	20,729
Cathode	7,386	3,783
Metal In Concentrate (MIC)	8,361	1,330
Total	30,573	25,842



4. Status of Disinvestment

During the year, the Government of India, pursuant to SEBI guidelines for 'Offer for Sale' through the Stock Exchange mechanism sold 3,71,19,152 equity shares out of its existing shareholding in the Company on 3rd July, 2013 and mobilized an amount of ₹259.84 Crores. Consequently, the Government shareholding in the Company has come down from 94.01% to 90% making the Company compliant with SEBI requirement of 10% Minimum Public Shareholding in listed Public Sector Companies.

5. Mine Expansion Schemes

The ongoing mine expansion scheme envisages expansion of Malanjkhand, 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 minewise scheme and status is given below:

i. Malanjkhand Copper Project

It is proposed to expand the production capacity of Malanjkhand mine from present 3 Mtpa to 5 Mtpa by developing an underground mine below the existing open cast mine at an estimated cost of ₹1856.74 Crore. CCEA approved the investment proposal in September, 2011 and Letter of Intent (LoI) was issued to the successful bidder. For operation of the mine up to 5 Mtpa capacities, HCL has taken steps for obtaining fresh Environment Clearance (EC) as per statute requirement. The Ministry of Environment & Forests (MoEF) recommended the Project for EC on 17.06.2013 subject to obtaining clearances from the Standing Committee of National Board for Wild Life (NBWL). On 29.07.2013, State Board for Wild Life has considered the proposal and forwarded to NBWL for consideration. The work on the project shall commence as soon as the statutory clearance from NBWL for the project is in place.

ii. Khetri and Banwas mines

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:

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.

Banwas Mine: Development of Banwas deposit started in May, 2010, and the work is expected to be completed by 2015.

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.

The contract for shaft sinking and allied mine development has been awarded to the successful bidder on 18.11.2011. For operation of the mine up to 0.9 Mtpa capacity and lease renewal, HCL has taken steps for obtaining fresh EC as per statute requirement.

iv. Re-opening of closed mines at ICC

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

Kendadih mine: The contract for reopening and allied mine development for 4 years has been awarded to the successful bidder on 04.02.2012.

Rakha mine: The contract for reopening and expansion of Rakha Copper mine for 5 years has been awarded to the successful bidder on 02.07.2013.



v. Chapri Sideshwar

The Letter of Intent (LoI) was issued to the successful bidder on 08.11.2011 to develop an underground mine at Chapri-Sideshwar to produce 1.5 million tonne of ore per annum. The work shall start after obtaining statutory clearances and restoration of the power facility at site. Chapri-Sideshwar is part of Rakha and Kedadih mining lease.

6. Green Field Exploration

The Company has applied for prospecting lease (PL), mining lease (ML) and Reconnaissance Permit (RP) in the States of Rajasthan, Jharkhand, MP and Haryana. The status of the fresh lease applications is given below:

- i. Mining Lease application submitted for Dhobani Pathargora Intervening Block and has already been scrutinized in the district level.
- ii. Reconnaissance Permit deed was signed with Government of Madhya Pradesh on 04.03.2013 for reconnaissance survey for Copper and associated minerals over an area of 580.73 square kilometers in Balaghat District of Madhya Pradesh.
- iii. The other areas applied for Mining Lease are in the state of Jharkhand at Dhatkidli Trildih Block in the adjoining district of Saraikala and Nandup-Talsa Block.

Regular follow up is being done with the concerned authorities for obtaining the permits and leases.

During the year, the Company has undertaken surface core exploratory drilling of 9,912 meters & 6072 meters at Chandmari Intervening Block at Khetri Copper Complex and Surda mine respectively. The results of the exploration drillings are encouraging.

7. 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:

- i. KCC Group won 1st Prize on “First Aid Competition” on 27th Mine Safety Week, Ajmer Region in 2013-14.
- ii. KCC Group won Two Special Prizes & Seven individual prizes in All India Rescue Competition in 2013-14.
- iii. Nagpur Zone-II, under jurisdiction of DGMS, Malanjkhand Mine won prizes in Nine categories in Mine Safety Competition 2013 - 2014.

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”, and “Industrial Safety Day” celebrations are conducted regularly with active participation of employees in all the Units of HCL.

8. Management Discussion and Analysis

A report on Management discussion and analysis is placed at Annexure–I.

9. Corporate Social Responsibility and Sustainability

HCL adheres to the Corporate Governance principles of corporate citizenship and embraces the principles laid down in United Nations Global Compact (UNGC). HCL’s Corporate Social Responsibility & Sustainability (CSR&S) objectives are suitably aligned with that of Millennium Development Goals



(MDGs). HCL's CSR&S policy encompasses the Company's philosophy behind its social initiatives and responsibilities and outlines the framework for undertaking CSR Projects/ Programs for welfare and sustainable development of the community at large. As per the revised DPE guidelines on Corporate Social Responsibility & Sustainability(CSR&S), the Board approved CSR&S budget of ₹7.11 crores (2 % of PAT of 2012-13) for FY 2013-14 against which an amount of ₹7.11 crores have been spent during the year.

The Company's CSR activities were implemented at 26 selected villages located in the periphery of each of its three major Units viz., Indian Copper Complex (ICC) at Ghatshila (Jharkhand), Khetri Copper Complex (KCC) at Khetri (Rajasthan) and Malanjkhand Copper Project (MCP) at Malanjkhand (Madhya Pradesh) through Non-Governmental Organizations (NGOs). The focal areas of CSR activities include Water Management, Renewable Energy Programmes, Health & Sanitation, Educational Infrastructure Development, Livelihood Promotion, Agriculture Development and Animal Husbandry. The Company received the Odisha CSR Best CSR Practices Award 2014 and Global CSR and Leadership Excellence Award by the World CSR Congress.

10. Corporate Communications

The Company continued to strengthen its communication with the external as well as internal stakeholders in adequate measure. Samvad, a Mass Communication Exercise, has been a new in-house initiative for dissemination of company information across all levels of the Company. Samvad has proved to be an effective in-house communication tool instrumental in enhancing employee motivation and sense of belongingness, boosting team spirit and bringing in awareness about the need of cost cutting to enhance production, productivity and profitability.

11. Awards and Accolades

- i. Successful showcasing of the Company through quality presentations in the national and international forums brought home the Skoch Renaissance Award for Corporate Leadership and Turnaround, NIPM National Award (Runner-up trophy) for Best HR Practices
- ii. The Company pavilion at the 5th International Mining, Exploration, Mineral Processing Technology, Metals & Machinery Exhibition in Kolkata was awarded with the Commendation Trophy for Design and Concept (National Category).
- iii. During the year 2013-14, the Company participated in the half-yearly meeting of Town Official Language Committee (PSUs), Kolkata held on 30 August, 2013. The Hindi edition of House Journal "Tamralipi" of HCL was awarded by Town Official Language Committee (PSUs), Kolkata under "Rajbhasha Award Scheme-2012-13" on 30th August, 2013.
- iv. Two Quality Circle Projects from Indian Copper Complex viz. Dinkar and Sahyog took part at the National Convention on Quality Concepts - NCQC 2013, held at the Techno India University, Kolkata, from 20.12.2013 to 23.12.2013 and were respectively ranked "Par Excellence" (equivalent to Gold Medal) and "Excellent" equivalent to Silver Medal.
- v. The World CSR Congress awarded Global CSR Excellence and Leadership Award to Hindustan Copper Limited for Developing Sustainable Strategies in an event organized at Taj Lands End, Mumbai, on 18.02.2014.
- vi. Shri K D Diwan, CMD, HCL, was felicitated with the CEO of HR Orientation Award at the IPE Asia Pacific HRM Congress 2013 held at Bengaluru on 05.09.2013

12. Vigilance Activities

Focus is on preventive vigilance through improvement of systems and procedures, enhancement of transparency and bringing information to public domain. Surprise checks and inspections were conducted,



contracts critically examined and findings shared with the management for implementation along with inputs on systems strengthening as is prevalent in other PSUs.

13. Official Language Implementation

During the year, 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 14th to 28th September, 2013. The messages of Hon'ble Home Minister, Govt of India and CMD, HCL were circulated / read out in all Offices/Units on this occasion. Various competitions were organized with a view 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. Regular review of progressive use of Hindi and difficulties faced were carried out in Quarterly meetings of Official Language Implementation Committee under the Chairmanship of CMD at Corporate Office and Unit Heads in Units. The progressive use of Hindi is being reviewed regularly at the Board meetings.

14. Corporate Governance

A report on Corporate Governance as per SEBI directives and stock exchange listing requirement is given at Annexure-II forming part of this report together with statutory auditors' certificate on corporate governance.

15. 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 been circulated to all concerned and posted at the Company's website www.hindustancopper.com. All Board members and senior management personnel have affirmed compliance of the code for the year ended 31 March, 2014.

16. 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 31 March, 2014, 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 31 March, 2014 and of the Profit or 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.

17. Directors

S/Shri Raajnish Gossain and Apurba Kumar Sarmah ceased to be Directors on completion of their tenure on 22 September, 2013.



Shri V V Venugopal Rao appointed as Director (Finance) and joined with effect from 10 September, 2013.

S/Shri U D Choubey, V K Srivastava and Ashok Kumar Singh appointed as part time Non- Official Directors with effect from 22 October, 2013.

The Board places on record its appreciation for the valuable services rendered and contribution made by S/Shri Raajnish Gossain and Apurba Kumar Sarmah during their tenure on the Board of HCL.

18. Auditors

M/s. A Kayes & Co, Kolkata and M/s. SRI Associates, Kolkata were appointed as joint statutory auditors to audit the accounts of the Company for the year 2013-14.

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 2013-14.

19. Comments of C&AG

The comments of C&AG on the accounts of the Company for the year ended 31 March, 2014 under the Companies Act are annexed to this report.

20. Particulars of Employees In terms of Section 217(2A) (a) of the Companies Act, 1956

There was no employee of the Company who received remuneration in excess of the limits prescribed under Section 217(2A) (a) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

21. 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 and West Bengal and the Company's bankers, auditors, C&AG, 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
(DIN 01829545)

Place: New Delhi
Date: 24.5.2014

**REPORT ON MANGEMENT DISCUSSION AND ANALYSIS****1. Discussion on financial performance in respect to operational performance**

The financial performance for FY 2013-14 vis-à-vis FY 2012-13 is summarized below: (₹ in Crore)

Particulars	2013-14	2012-13
Sales	1615.90	1475.27
Net of Extraordinary Income/(Expenses)	0.00	0.00
Value of Production	1765.57	1771.06
Cost of production excluding depreciation, amortization and Finance Cost & Prior Period Adjustment(Net)	1165.82	1212.82
Profit before depreciation, amortization and Finance		
Cost & Prior Period Adjustment(Net)	599.75	558.24
Depreciation, Amortisation	174.14	150.98
Finance Cost	2.32	4.28
Prior Period Adjustments(Net)	(7.36)	(0.63)
Profit/ (Loss) Before Tax	430.65	403.61
Provision for taxation-Current	144.58	79.70
-Deferred	(0.35)	(31.73)
Profit/ (Loss) After Tax	286.42	355.64

Capital Expenditure

During the year, the expenditure on account of Replacements & Renewals (R&R) of plant & machinery, mine expansion and mine development stood at ₹310.28 crore which was entirely funded through the internal resources of the Company and no Government support for capital expenditure was asked for.

Loans

During the year, your Company had no secured or unsecured loans in its books as it is a debt free company.

Contribution to Exchequer

During the FY 2013-14, the Company contributed a sum of ₹380.29 crore to the exchequer by way of duties, taxes and royalties, as against ₹398.37 crore in 2012-13, as detailed below:

Particulars	₹ in crore	
	2013-14	2012-13
Excise Duty	80.93	150.28
Customs Duty	0.06	0.17
Export Tax	0.09	1.35
Sales Tax	46.49	49.66
Royalty and Cess	62.82	67.23
Income Tax	171.68	116.88
Others	18.24	12.80
Total :	380.29	398.37



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

Expenditure in foreign currency

During the FY 2013-14, the Company spent foreign currency to the tune of ₹11.44 crore towards stores & spares, capital goods, other imports, traveling, and others etc. as compared to ₹1.54 crore in FY 2012-13.

Earnings in foreign exchange

During the FY 2013-14, the Company earned foreign exchanges of ₹393.98 crore through export of slime, copper reverts and concentrate as against ₹80.79 crore earned through export of anode slime and reverts during FY 2012-13.

2. Industry Structure and Business Scenario

Global Business Scenario

As per International Copper Study Group (ICSG) forecast, after a period of underperformance, world mine production (in metal terms) grew by 8% in 2013 to 18.05 million tonnes compared with an average annual growth of 1.5% in the preceding 5 years. It is anticipated that production from mines will grow by around 7% in 2014 and 7% in 2015 to 19.2 Million tonnes (Mt) and 20.3 Mt respectively. Capacity utilization of mine was 85.6 % as compared to 82.7% in 2012.

In 2013, world refined copper production was 20.99 million tonne an increase of 4% over 2012. In 2014, the refined production is expected that to increase by 6.5% to 22.4 million tonnes compared with that in 2013. Refined production will benefit from adequate availability of concentrate offsetting expected tightness in the scrap market.

Global consumption of copper in 2013 was 21.68 million tonne an increase of 4% over 2012. China was the largest user of copper with global market share of 30%. Demand in China is expected to increase by about 5% in 2014 and demand in the rest of the world is expected to increase by about 2%.

Weakness in copper price can be mainly attributed to the combination of sluggish Chinese demand growth related to housing and construction, plus a strong global copper mine supply growth.

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 Tutuicorn 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 the fiscal 2013-14, the copper ore production in India was 3.82 million tonnes which is 4% higher compared to 2012-13. Metal in concentrate production was 33,276 MT an increase of 11% over 2012. Refined copper production was around 6.52 lakh tonnes, as compared to 6.93 lakh tonnes in FY 2012-13. The consumption of refined copper in the year 2013-14 is estimated around 5.5 lakh tonnes as compared to 6.10 lakh tonnes in 2012. The consumption was affected due to sluggish growth of the Indian economy.



Outlook:

ICSG has projected that the world copper refined market is expected to be in surplus in 2014 by 4.05 lakhs. Although with the improved macro-economic outlook in coming years which will give boost to world demand, world production growth is again expected to exceed demand growth. However, global market balances could vary from those projected owing to numerous factors including a world economic slowdown, European Union sovereign debt issues, political transitions in the Middle East and North Africa, and production shortfalls due to labor unrest, utility and capital shortages, and technical factors.

As a growing economy, we anticipate a strong growth of demand of refined copper in near term in the Country, mainly driven by increased demand from power, infrastructure and housing sector. Long term forecast project consumption to 20 lakh tonne by 2030. India's per capita copper consumption was less than 0.5 kg in 2010 compared to 4.6 kg in China and a world average of 2.4 kg. If India's per capita copper consumption moves towards the per capita copper consumption levels in the rest of the world, India's copper market has the potential for significant growth.

3. Risk 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.

4. Environment and Pollution Control Measures

The ambient air quality is regularly monitored at mines, process plants and residential areas at all the units as per pollution control board guidelines/standards. To further improve the existing environmental management plan, the environment cells at the units have implemented/are in the process of implementing the recommendations arising out of the environmental audit earlier done through an external agency in phased manner.

The range of air quality around the various mines of the company is well within the standards and limits prescribed by the pollution control boards as given below:

Sl. No.	Parameters	Unit	Values (Range)	Permissible Limits
1	Suspended Particulate Matter (SPM)	µg/m ³	52 – 405	500
2	Sulphur dioxide (SO ₂)	µg/m ³	5.4 – 8.6	120
3	Oxide of Nitrogen (NOX)	µg/m ³	16.8 – 26.3	120
4	Carbon Mono oxide	µg/m ³	91-828	5000

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. As water availability is scarce at KCC and operation of the plant is affected due to inadequate availability of water, total recycling of water is practiced. An HRT tailing thickener has been installed and commissioned at KCC concentrator plant for disposal of thickened slurry and also to have better recovery of water from tailings. Quality of water being recycled in various units of HCL is in the range as given below:



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

Sl.No.	Parameters	Unit	Characteristics Range	Permissible Limits
1	pH	-	6.30 – 8.30	5.5 – 9.0
2	Total Suspended Solids	mg/lit	54 - 96	100
3	B.O.D	mg/lit	9.6 – 29	30
4	C.O.D	mg/lit	12 – 172	250
5	Oil Grease	mg/lit	0.1 – 2.0	10
6	Colour	Hazen	Colourless	-
7	Odour		Odourless	-

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

Company promotes several environment friendly activities by planting trees, improving house-keeping, cleanliness, hygiene and safety through several programmes round the year.

The company has planted different types of flora around the mining and township areas at the units to maintain the green environment. During the year 1025652 tree plantations have been carried out till March, 2014.

“Mines Environment & Mineral Conservation week” and “World Environment Day” are celebrated every year for sustainable development and environmental awareness under the guidance of IBM and Madhya Pradesh Pollution Control Board.

5. Conservation of energy

Steps taken by the company for utilizing alternate sources of energy

- (a) Energy audit cells at the units are constantly monitoring energy consumption at the mines, plants and townships to achieve overall reduction in power consumption. Power factor in all the four units is currently being maintained above 0.95. Further installation of high tech CJD burner at ICC Smelter has significantly reduced energy consumption.
- (b) 1. Malanjkhand Copper project
 - i) Replaced 50 nos. 125W HPMV/150W HPSV with 60W LED fixtures.
 - ii) Replaced 200 sets. 2x40W tube light fittings with 70W HPSV.
 - iii) Replaced 1000W halogen with 96W LED fixtures in one P&H shovel.
2. Khetri Copper Complex
 - i) During the year, the Unit has started sourcing power from PTC under “open access system”. This has resulted in savings of around ₹1.0 lakh per day.
 - ii) Replaced conventional water heaters by Solar water heaters
 - iii) Installed Auto valve in flushing line of ground ore pump to reduce idle running of grinding stream.
 - iv) 250 HP blower motor of stockpile replaced with 150 HP motor.
 - v) Commissioned regenerative drive for polish winder at KCM in August 2013, Expected energy saving per annum is 0.60 lakh units.



- vi) 110 KW Rotoclone motor has been replaced with 75 KW motor.
- (c) Low pressure burner in place of high pressure burner is being introduced in Flash furnace and Fire refining furnace.
- (d) VFDs are being introduced in critical areas covering ground equipments and also overhead cranes.
- (e) Replacement of existing light fittings with energy efficient LED light.
- (f) Replacement of old pumps and blowers in concentrator plant to make the system more energy efficient.
- (g) The Enterprise Specific energy consumption during the year 2013-14 and 2012-13 are as under:

Sl. No.	Specific Consumption	Unit	2013-14	2012-13
1	Power consumption ore to MIC at MCP	Kwh/T	19.17	19.82
2	Power consumption at ICC Smelter	Kwh/T	854.73	943
3	Power consumption at ICC Refinery	Kwh/T	295.26	297

Steps taken by the company for utilizing alternate sources of energy

Study on solar power options at various locations throughout HCL has been completed and final report received. Implementation is being taken up.

6. IT Initiatives

- (a) Oracle ERP (eBiz Suite R12) implementation has enabled HCL adopt a centralized business management platform based on which the entire Company has been thoroughly unified, increased real-time visibility of critical business parameters, thereby strengthening financial management & spares control, supply chain management, customer service and HR functions. Audited financial results have been finalized within scheduled planned time.
- (b) A web based system is in place to enable customers to place on-line orders for copper wire rod, cathode, sulphuric acid, copper sulphate & mill scale with the Company. The system helps customers to monitor the order booking status and view HCL's price circulars and receive auto emails on acceptance of customer booking.
- (c) The procurement of stores & spare items above a threshold value of rupees three lakh continues to be done through enterprise procurement system (ERP). Operations of ERP in Materials module is being monitored and streamlined continuously and improved for effective and efficient functioning. All the disposal activities for scrap items, scrap equipments, surplus & obsolete items continues to be done through E-auction conducted by outside service provider on regular basis to get better realization.
- (d) E-payment system was implemented and working satisfactorily wherein payments are released by transfer of funds directly to bank account of suppliers/contractors after obtaining proper mandate.

7. Integrity Pact:

The Company enters into an Integrity Pact with the suppliers/contractors with the threshold value of ₹20 crores in case of Purchase Orders and ₹10 crores for Works contract, in line with the MoU signed by HCL with TII.



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

8. Human Resource and Industrial Relations

Manpower as on 31 March, 2014

The manpower of Hindustan Copper Limited as on 31 March, 2014 was 4112 as detailed below:

Group	Total	SC	ST	Ex-S/Men	PH	Land Displaced Person	Minorities	OBC
A	587	81	23	2	3	0	26	50
B	75	12	8	1	0	0	3	18
C	2721	420	416	38	26	162	197	417
D	729	180	102	1	14	202	24	20
Total	4112	693	549	42	43	364	250	505

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 the 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 4112 as on 31 March, 2014 is 16.85%, 13.35 % and 12.28 % 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 effectiveness. The Company selectively nominated employees for specialized training Programmes / Workshops / Seminars / Conferences organized by reputed professional organizations and Institutes. In FY 2013-14, against a training target of 8200 mandays, 9720 mandays of training target was achieved.

Employment of Women

The Group wise strength of female employees as on 31 March 2014 vis-à-vis the total strength of the Company is given below:

Group	Total Strength	No. of female employees	% of female employees to total strength
A	587	37*	6.30
B	75	2	2.67
C	2721	86	3.16
D	729	124	17.00
Total	4112	249	6.05

(*including one CVO)

In pursuance to the judgment of the Supreme Court, HCL has set up in all the Units/Offices of the Company Committee for the 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 under report, no incidence of discrimination amongst employees on the basis of gender came to light.



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 and religion live together and celebrate all religious festivals with pomp and gaiety.

The status of implementation of the persons with Disability Act, 1995

The number of physically challenged persons employed in the Company as on 31 March, 2014 is as under.

Group	Number of physically challenged person
A	3
B	0
C	26
D	14
Total	43

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 under the Scheme of Grant of Scholarship to Employee's Children takes special care and gives wide publicity and exclusively reserves scholarships for physically challenged children of employees by allocating 10 scholarships for PWD candidates.

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

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

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 date of the report, the Board of Directors comprised a Chairman-cum-Managing Director, four functional directors, viz., Director(Personnel), Director(Mining), Director (Operations) and Director(Finance), two Government directors (part-time official) representing the Ministry of Mines, Government of India and seven Independent directors (part-time non-official).

(b) Meetings, attendance & other directorship

During 2013-14, five Board meetings were held on 23 May, 2013, 12 August, 2013, 13 November, 2013, 13 December, 2013, 12 February, 2014 and the majority of members of the Board remained present. Leave of absence was, however, granted to the directors who could not attend the meeting.

The directors' attendance at the Board meetings and at the last annual general meeting (AGM), number of directorship in other companies and membership in other committees etc. during the year are as follows:

(i) Whole time Directors

Name of the Director	No of Board meetings attended out of 5 held	Attendance at last AGM held on 20 September, 2013	No of other directorship	No of committee position held in other companies	
				Chairman	Member
Shri K D Diwan, Chairman-cum-Mg.Director	5	Yes	Nil	Nil	Nil
Shri Anupan Anand Director(Personnel)	5	Yes	Nil	Nil	Nil
Shri Avijit Ghosh Director(Mining)	5	No	2	Nil	Nil
Shri S Nanda Director (Operations)	5	Yes	Nil	Nil	Nil
Shri V V Venugopal Rao* Director (Finance)	3	Yes	Nil	Nil	Nil

(* Appointed vide Order No.10/2/2013-Met.III (Vol.II) dated 23 August, 2013 issued by the Ministry of Mines and assumed charge on 10 September, 2013)



ANNEXURE-II TO THE DIRECTORS' REPORT (Contd.)

(ii) Part time official Directors

Shri Arun Kumar	5	No	Nil	Nil	Nil
Smt Sujata Prasad	3	No	3	Nil	4

(iii) Part time non official Directors (Independent)

Major General (Retd.)Raajnish Gossain	2	Yes	Nil	Nil	Nil
Shri Apurba Kumar Sarmah	2	Yes	Nil	Nil	Nil
Shri Arvind Sahay	3	No	1	Nil	1
Shri Gyan Prakash Joshi	5	No	3	Nil	3
Shri Puneesh Kumar Kapoor	5	No	1	Nil	Nil
Smt Bulbul Sen	4	No	1	1	Nil
Shri U D Choubey*	3	NA	Nil	Nil	Nil
Shri V K Srivastava*	3	NA	1	Nil	2
Shri Ashok Kumar Singh*	2	NA	1	Nil	1

(* Appointed vide Order No.10/4/2013-Met.III dated 22 October, 2013 issued by the Ministry of Mines)

(C) Remuneration paid to Directors

(i) Whole-time Directors

The details of remuneration paid to the whole-time Directors during 2013-14 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	28,57,137.00	10,10,529.00	Medical 8,097.44 Accommodation 6,09,523.00 Electricity 23,790.00	45,09,076.44
Shri Anupam Anand Director(Personnel)	26,76,838.00	8,44,335.00	Medical 22,065.24 Accommodation 4,63,961.00 Electricity 37,550.00	40,44,749.24
Shri Avijit Ghosh Director(Mining)	24,38,237.00	5,47,315.00	Medical 16,580.44 Accommodation 5,20,848.00 Electricity 23,540.63	35,46,521.07



ANNEXURE-II TO THE DIRECTORS' REPORT (Contd.)

Shri S Nanda Director(Operations)	21,95,716.00	0.00	Medical 3,914.00 Accommodation 4,75,037.00 Electricity 18,297.00	26,92,964.00
Shri V V venugopal Rao Director(Finance) (From 10.9.2013)	12,90,127.00	0.00	Medical 0.00 Accommodation 2,54,800.00 Electricity 4,626.00	15,49,553.00
Total	1,14,58,055.00	24,02,179.00	24,82,629.75	1,63,42,863.75

* relating to FY 2012-13

(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 at the rate of ₹5,000/- per committee meeting. During 2013-14, the amount of sitting fees paid to independent directors was as follows:

SI No	Name of the Director	Sitting Fees (₹)		
		Board meetings	Committee meetings	Total
1	Major General (Retd) Raajnish Gossain	20,000	15,000	35,000
2	Shri Apurba Kumar Sarmah	20,000	15,000	35,000
3	Shri Arvind Sahay	30,000	30,000	60,000
4	Shri Gyan Prakash Joshi	50,000	85,000	1,35,000
5	Shri Puneesh Kumar Kapoor	50,000	70,000	1,20,000
6	Smt Bulbul Sen	40,000	40,000	80,000
7	Shri U D Choubey	30,000	15,000	45,000
8	Shri V K Srivastava	30,000	45,000	75,000
9	Shri Ashok Kumar Singh	20,000	35,000	55,000
	Total	2,90,000	3,50,000	6,40,000

(iii) Part time official Directors

There are two part time official directors on the Board as on 31 March, 2014. No remuneration was paid to part time official directors.

Service contracts, notice period, severance fee:

The Chairman-cum-Managing Director and other 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.

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 Audit Committee of the Board was reconstituted on 29 October, 2013 comprising five independent directors and one Government nominee director. The chairman of the Committee is an independent director. The terms of reference of the Audit Committee are as specified under Clause 49 of the listing agreement.

During the year, the Committee met six times on 23 May, 2013, 12 August, 2013, 12 November, 2013, 29 November, 2013, 10 February, 2014, 24 March, 2014 and attendance of the members at the meetings is given below:

Composition	Number of meetings attended out of 6 held
Major General (Retd) Raajnish Gossain ,Chairman(Upto 22.9.2013)*	2
Shri Puneesh Kumar Kapoor, Chairman (From 29.10.2013)	6
Shri Apurba Kumar Sarmah, Member*	2
Smt Sujata Prasad, Member	2
Shri Gyan Prakash Joshi , Member	6
Smt Bulbul Sen, Member**	4
Shri U D Choubey, Member**	2
Shri V K Srivastava, Member **	3

(* ceased to be director on completion of tenure on 22 September, 2013)

(** inducted in the Committee on 29 October, 2013)

4. Remuneration Committee

Being a Government Company, the remuneration, terms and conditions of appointment of Directors is fixed by the Government of India. However, in terms of office memorandum No.2 (70) / 08-DPE (WC)-GL-XVI / 08 dated 26 November, 2008, issued by the Department of Public Enterprises, a sub-committee of the Board known as 'Remuneration Committee' was constituted to recommend payment of Performance Related Pay (PRP) and policy for its distribution across the executives (including functional directors) within the prescribed limits, in terms of the office memorandum referred above. The Remuneration Committee of the Board comprises three independent directors as members.

During the year, the Committee met once on 12 February, 2014 and attendance of the members at the meeting is given below:

Composition	Number of meeting attended out of 1 held
Shri U D Choubey, Chairman	1
Smt Bulbul Sen, Member	1
Shri Arvind Sahay, Member	1

5. Investors' Grievance Committee

Shareholders / Investors' Grievance Committee of the Board was constituted by the Board with Mrs. Bulbul Sen, Independent Director as Chairman and Shri Puneesh Kumar Kapoor, Independent Director, Shri Anupam Anand, Director (Personnel) and Shri V V Venugopal Rao, Director (Finance) as Members of the Committee to look into the redressal of complaints received from investors/shareholders. Shri C S



ANNEXURE-II TO THE DIRECTORS' REPORT (Contd.)

Singhi, Company Secretary is the Compliance Officer. During 2013-14 the Company received and resolved five Investors grievances and there was no outstanding complaint as on 31 March, 2014.

6. Share Transfer Committee

A Sub-Committee of the Board comprising of Chairman and functional directors of the Company known as Share Transfer Committee is already in existence. During 2013-14, the Committee met eleven times on 21 May, 2013, 17 June, 2013, 10 July, 2013, 22 July, 2013, 6 August, 2013, 9 September, 2013, 1 October, 2013, 10 December, 2013, 20 February, 2014, 12 March, 2014 and 28 March, 2014 and approved transfer/transmission and rematerialization of shares.

7. General Body Meeting

Details of general body meetings held during last three years are as under:

Annual General Meeting:

Year	Date	Time	Location	No of special resolutions passed
2011-12	20.9.2011	11.00 AM	Tamra Bhavan, 1 Ashutosh Chowdhury Avenue, Kolkata- 700019	Nil
2012-13	27.9.2012	-do-	-do-	Nil
2013-14	20.9.2013	-do-	-do-	Nil

Extraordinary General Meeting: Nil

No resolution was passed in the last three years through postal ballot. In the ensuing 47th Annual General Meeting, any decision on matters requiring approval of shareholders through postal ballot system will be obtained as per the provisions of the Companies Act, 2013.

8. Disclosures

The Company has not entered into any transactions of material nature with the directors that may have potential conflict with the interest of the Company at large. No penalties, strictures have been imposed on the Company by the Stock Exchanges or SEBI on any matters related to capital market during last 3 years.

The members of the Board apart from receiving director's remuneration do not have any material pecuniary relationship or transactions with the Company, its promoters which in the judgment of Board may affect independence of judgment of the directors.

The CEO and the CFO of the Company have certified to the Board with regard to the compliance made by them in terms of clause 49(V) of the listing agreement.

Regarding 'whistle blower' mechanism, the guidelines issued by the Ministry of Personnel, Public Grievances and Pensions, Government of India has been implemented as applicable to the Government companies. However, a mechanism on whistle blower as per requirement of the Companies Act, 2013 and revised clause 49 of the listing agreement shall be introduced during 2014 -15.

The Company has not adopted any non-mandatory provisions specified in Annexure 1D of clause 49 of the listing agreement.

9. Means of communication

The Company published its financial results in English newspaper such as Economic Times, Business Standard and Bengali newspaper such as Anand Bazar Patrika for information of all concerned as per



requirement. Annual Report / financial results are also hosted on the website of the Company at www.hindustancopper.com. During the year no presentation was made to any institutional investor or to any analyst.

10. General shareholders' information

i) 47th Annual General meeting(AGM)

Date : 19th September, 2014

Time : 11 AM

Venue: Tamra Bhavan, 1 Ashutosh Chowdhury Avenue, Kolkata 700019

ii) Financial Year : 1 April, 2013 to 31 March, 2014

iii) Book-closure date: 9th September, 2014 to 19th September, 2014 (both days inclusive)

iv) Dividend payment date: The Dividend, if declared at the AGM, would be paid to shareholders within 30 days from the date of AGM.

v) *Listing on Stock Exchanges:*

The equity shares of the Company are listed on Bombay Stock Exchange Limited (Stock Code: 513599) with effect from 2 August, 1994 and National Stock Exchange of India Limited (Stock Code: HINDCOPPER) with effect from 15 September, 2010. Annual listing fee for the FY 2014-15 has been paid to both the exchanges.

vi) *Registrar & Share Transfer Agent*

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 received by the Company are processed and certificates dispatched to the buyers within 15 days from the date of receipt as stipulated in listing norms of Stock Exchanges.

viii) *Stock market price data*

Monthly high and low price of Company's shares traded on Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE) during the FY 2013-14 was as follows:

Month	BSE		NSE	
	High(₹)	Low(₹)	High(₹)	Low(₹)
April 2013	108.45	92.95	108.40	92.95
May 2013	113.70	95.30	113.40	95.50
June 2013	96.50	70.60	96.15	63.90
July 2013	78.35	46.50	78.60	46.35
August 2013	66.40	42.50	66.30	42.30
September 2013	71.20	55.50	71.20	55.40
October 2013	74.80	63.00	74.75	63.00
November 2013	78.30	66.75	78.30	66.65
December 2013	73.40	66.50	72.40	66.80
January 2014	73.25	61.15	73.25	61.55
February 2014	63.05	58.10	63.00	58.05
March 2014	71.90	57.75	71.90	58.00



ANNEXURE-II TO THE DIRECTORS' REPORT (Contd.)

ix) *Shareholding pattern as on 31 March, 2014*

	Category	No. of shares held	%
1	President of India	83,26,96,200	90.00
2	Mutual Funds	31,01,900	0.34
3	Financial Institutions/Banks	1,33,44,428	1.44
4	Insurance Companies	5,42,58,315	5.86
5	Bodies Corporate	51,26,216	0.55
6	NRIs/FIIs/QFIs	7,59,543	0.08
7	Trusts & Foundations	25	0.00
8	Indian Public	1,59,31,373	1.72
	TOTAL	92,52,18,000	100.00

x) *Distribution of shareholding as on 31 March, 2014*

RANGE		SHARES	FOLIOS	% SHARES
1	500	6673791	58366	0.72
501	1000	2638038	3266	0.28
1001	2000	2155604	1407	0.23
2001	3000	1117061	436	0.12
3001	4000	627485	174	0.07
4001	5000	787671	167	0.09
5001	10000	1717561	240	0.19
10001	50000	2697440	136	0.29
50001	100000	1181586	16	0.13
100001 and above		905621763	31	97.88
TOTAL :		925218000	64239	100.00

xi) *Dematerialization of shares*

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). The International Securities Identification Number (ISIN) allotted to the Company's equity shares is INE531E01026 with effect from 29 August, 2008. Status of dematerialization as on 31 March, 2014 was as follows:

Particulars	No. of Shares	% of Holding	No. of folio
DEMAT :			
a) N S D L	91,80,34,008	99.22	39123
b) C D S L	70,88,406	0.77	24555
PHYSICAL	95,586	0.01	561
Total :	92,52,18,000	100.00	64239



ANNEXURE-II TO THE DIRECTORS' REPORT (Contd.)

xii) *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.

xiii) *Plant location*

Indian Copper Complex	Khetri Copper Complex
P.O.Ghatsila	P.O.Khetrinagar
Dist.Singhbhum	Dist.Jhunjhunu
Jharkhand	Rajasthan

Malanjkhand Copper Project	Taloja Copper Project
P.O.Malanjkhand	P.O.Taloja
Dist.Balaghat	Dist.Raigad
Madhya Pradesh	Maharashtra

xiv) *Address for correspondence*

Shareholders desiring any information may write to the Company Secretary at registered office of the Company at 1 Ashutosh Chowdhury Avenue, Kolkata 700019 or e-mail their query to investors_cs@hindustancopper.com. The contact Telephone Numbers are (033) 2283 2226/2676 and Fax Number is (033) 2283 2676.



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, for the year ended 31st March, 2014, as stipulated in clause 49 of the Listing Agreement of the said company with stock exchanges.

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, except the following:

The Independent Directors did not comprise at least 50% of Board of Directors during the period from 10.9.2013 upto 21.10.2013. However, with the appointment of three Independent non executive directors on 22.10.2013, the composition as on 31.03.2014 satisfies the requirement of "atleast 50% of total Directors being Independent Directors, when an executive director is the chairman of the board" as required under Clause 49 of the Listing Agreement.

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

S R I ASSOCIATES
Chartered Accountants
FRN 305109E

CA A. KAYES
M No. 050363
Partner

CA I. PASHA
M.No. 013280
Partner

Place: Kolkata
Date : 23rd May,2014



ADDENDUM TO THE REPORT OF THE BOARD OF DIRECTORS'

ADDENDUM TO THE REPORT OF THE BOARD OF DIRECTORS

Clarification of the Management in respect of observations of Statutory Auditors
(Ref. Statutory Auditors' Report 24th May 2014)

Audit Observation No.	Observations	Clarification of the Management
1.	The Company's inventories include ₹6543.29 lac being the amount computed by the company for the first time as cost of 27.50 lac tonnes of Lean Ore. Prior to this year, such Lean Ore was never taken into valuation of inventory by the company. This is a change in Accounting of Inventories of the company during the year under review.	Statutory Auditors' observation stands disclosed vide Clause 12 of Note No. 35 to the accounts (General Notes on Accounts) which is as under : “Considering the present scenario of MCP mines and to sustain the planned production, management decided to process the lean ore along with normal ore produced from the mine. Therefore 27.50 lac tonne of already excavated copper bearing Lean Ore amounting to ₹6543.29 lac is considered as closing work in progress as on 31.03.2014. The physical verification of lean ore has been verified by the Malanjkhand Mining Department. This has eventually increased the profit of the company by equivalent amount.”

Place : Kolkata
Date : 20th June, 2014

V V Venugopal Rao
Director (Finance)



COMMENT OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA

**COMMENT OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA
UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS
OF HINDUSTAN COPPER LIMITED, KOLKATA FOR THE YEAR ENDED 31ST
MARCH 2014.**

The preparation of financial statements of Hindustan Copper Limited for the year ended 31st March 2014 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the management of the Company. The statutory auditors appointed by the Comptroller and Auditor General of India under Section 619(2) of the Companies Act, 1956 are responsible for expressing opinion on these financial statements under Section 227 of the Companies Act, 1956 based on independent audit in accordance with the Standards on Auditing prescribed by their professional body, The Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 24-05-2014.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 619(3)(b) of the Companies Act, 1956 of the financial statements of Hindustan Copper Limited for the year ended 31st March 2014. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors 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 under Section 619(4) of the Companies Act, 1956.

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

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

Place : Kolkata
Date : 25th June, 2014



TEN YEARS AT A GLANCE

(₹ in crore)

YEAR	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05
FOR THE YEAR										
Turnover	1615.90	1475.27	1638.18	1281.28	1429.85	1349.10	1839.79	1799.64	1053.76	559.11
Gross Profit /(Loss)	432.97	407.90	474.48	339.39	219.33	12.30	330.51	366.68	138.75	95.05
Depreciation and										
Amortisation	174.14	150.98	144.06	97.27	81.04	73.72	81.89	89.45	58.37	55.75
Net Profit /(Loss)	286.42	355.64	323.46	224.10	154.68	(10.31)	246.46	313.94	105.88	55.98
Value Added	1165.05	953.85	1146.97	991.95	701.82	402.06	726.12	781.08	385.39	328.53
Value of production	1765.56	1771.06	1704.21	1409.46	1506.04	1344.28	1991.24	1909.18	1053.34	631.24
AT THE YEAR END										
Share Capital	462.61	462.61	462.61	462.61	462.61	462.61	462.61	977.45	948.95	948.95
Internal Resources	1989.93	1790.70	1514.00	1275.97	1200.69	1026.95	1015.88	195.60	(110.57)	(298.85)
Term Loans	-	-	-	-	-	-	112.50	212.50	287.50	232.96
Cash credit from banks	-	-	-	-	0.05	2.30	0.98	3.98	4.81	118.23
Capital expenditure gross	1551.90	1421.35	1278.55	1229.21	1169.23	1110.85	1037.06	993.99	977.89	967.71
Working Capital	876.39	829.99	685.85	526.58	365.01	361.16	492.06	328.62	62.78	33.94
Capital employed	1088.18	1036.32	895.02	739.75	584.64	570.86	657.48	504.62	247.47	234.55
Manpower (No.)	4112	4498	4810	5100	5300	5440	5405	5451	5583	5665



INDEPENDENT AUDITORS' 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 March 31, 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management’s Responsibility for the Financial Statements

Management is responsible for 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 standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 (“the Act”) read with the general Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view 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 conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 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 control relevant to the Company’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, 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 qualified audit opinion.

Basis for Qualified Opinion

The Company’s inventories include ₹6543.29 lakh being the amount computed by the company for the first time as cost of 27.50 lakh tonnes of Lean Ore as disclosed vide Clause 12 of Note No. 35 to the accounts (General Notes on Accounts). Prior to this year, Such Lean Ore was never taken into valuation of inventory by the company. This is a change in Accounting of Inventories of the company during the year under review.

Had the above change not been made, the cost of sales (change in inventory) would have been increased by ₹6543.29 lakh and income tax, Net Profit and Shareholders’ fund would have been reduced by ₹2224.06 lakh, ₹6543.29 lakh, and ₹4319.23lakh respectively.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the 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:



- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
(b) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
(c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to Clause 15 of Note no. 35 to the accounts (General Notes on Accounts) referred to in the financial statements which describe the Old Liabilities and Provisions Not Required being Written Back during the year under review amounting to ₹1510.51 lakh.

Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required under provisions of section 227(3) of the Companies Act, 1956, we report that:
 - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - c. the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account .
 - d. *except for the matter described in the Basis for Qualified Opinion paragraph, in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013;*
 - e. on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.
 - f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

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

For S R I ASSOCIATES
Chartered Accountants.
Firm Registration No. 305109E

CA. A. KAYES
Partner.
Membership No.50363

CA. I. PASHA
Partner.
Membership No. 013280

Place : New Delhi.
Date : 24th May, 2014.



ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in our report of even date attached)

- 1 (a) The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets.
 - (b) The fixed assets have been physically verified by the management during the year under audit pursuant to company's Accounting policy (Clause c.5 of Note No. 2 to the Accounts of Significant Accounting Policies) and discrepancies, if any, have been properly dealt with in the books of account.
 - (c) In our opinion, the disposals of fixed assets during the year are not of significant value and do not affect the going concern basis.
- 2 (a) As explained to us, the inventories of Finished Goods, Raw Materials and Store and spares except those lying with contractors/ third parties have been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
 - (b) According to information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and nature of its business.
 - (c) On the basis of our examination of the inventory records, in our opinion, the company is maintaining proper records of inventory and the discrepancies noticed on verification between the physical stock and book record were not material considering the size of the company and the nature of its business, and the same has been properly adjusted in the accounts, *save and except that the company has for the first time taken into inventory account 27.50 lakh tonnes of Lean Ore valued at ₹6543.29 lakh vide Clause No. 12 of Note No. 35 to the Accounts (General Notes on Accounts).*
- 3 (a) According to information and explanations given to us the company has not granted any loans, secured or unsecured to or from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Therefore, reporting under other related sub clauses is not applicable to the company.
 - (b) According to information and explanations given to us the company has not taken any loans, secured or unsecured to or from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Therefore, reporting under other related sub clauses is not applicable to the company.
- 4 In our opinion and according to the information and explanations given to us, the internal control system needs to be strengthened in order to be commensurate with the size of the company and nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. We have not observed any major weaknesses continuing in the internal control system.
- 5 Based on the audit procedures applied by us and according to the information and explanations given to us, there was no transaction that needed to be entered in the Register required to be maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five lacs in respect of any party in the financial year.
- 6 According to the information and explanations given to us, the company has not accepted any deposit from the public within the meaning of Section 58A, 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposit) Rules, 1975 are not applicable to the Company.



ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT (Contd.)

- 7 The company has its Internal Audit System commensurate with the size and nature of its business.
- 8 We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of Cost Records under section 209 (1) (d) of the Companies Act, 1956 and we are of the opinion that, prima facie, the prescribed accounts and records have been maintained.
- 9 (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, Income Tax, Sales Tax/VAT, Wealth tax, Service Tax, Custom duty, Excise duty, Cess and other statutory dues with the appropriate authorities wherever applicable and there is no undisputed amount payable in respect of the aforesaid statutory dues as at 31st March 2014 for a period of more than six months from the date they became payable, excepting ₹890.03 Lakhs towards Water Cess.
- (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, Custom Duty, Wealth Tax, Excise Duty and Cess as on 31st March 2014:

Name of the Statue	Nature of Dues	Period to which the amount relates	Forum where dispute is pending	Amount (Rupees in lacs)
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)	Sr. Jt. Commissioner (Appeal)	0.96
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
Jharkhand Value Added Tax Act	State Sales Tax/ VAT	2002-03 (ICC)	Dy. Commissioner of Commercial Taxes, (Adj.) Jamshedpur	40.55
Jharkhand Value Added Tax Act	State Sales Tax/ VAT	2003-04 (ICC)	Dy. Commissioner of Commercial Taxes(Adj.), Jamshedpur	16.81
Central Sales Tax Act	Central Sales Tax	2003-04 (ICC)	Dy. Commissioner of Commercial Taxes(Adj.), Jamshedpur	3.21



ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT (Contd.)

Jharkhand Value Added Tax Act	State Sales Tax/ VAT	2004-05 (ICC)	Jharkhand High Court	68.67
Central Sales Tax Act	Central Sales Tax	2004-05 (ICC)	Jharkhand High Court	4.41
Jharkhand Value Added Tax Act	State Sales Tax/ VAT	2005-06 (ICC)	Dy. Commissioner of Commercial Taxes (Adj.), Jamshedpur	86.34
Central Sales Tax Act	Central Sales Tax	2005-06 (ICC)	Dy. Commissioner of Commercial Taxes(Adj.), Jamshedpur	4.34
Central Excise Act	Central Excise	1985-86 (ICC)	CESTAT	60.60
Central Excise Act	Central Excise	1997-98 TO 1998-99 (ICC)	CESTAT	203.52
Central Excise Act	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
Madhya Pradesh Value Added Tax Act	Entry Tax	1994-95 (MCP)	Commissioner (Appeals) Jabbalpur	5.38
Madhya Pradesh Value Added Tax Act	State Sales Tax/ VAT	2009-2010 (MCP)	Sales tax Authority (Balaghat)	34.47
Central Excise Act	Central Excise	2007-08 TO 2010-11 (MCP)	Asst. Commissioner Central Excise	394.97
Central Excise Act	Central Excise	2013-14 (MCP)	Commissioner Central Excise	117.63
Central Excise Act	Central Excise	2007-08 (MCP)	Commissioner Central Excise	64.19



ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT (Contd.)

Central Excise Act	Central Excise	1998-99 TO 2013-14 (KCC)	Asst. / Joint/ Dy. Commissioner Central Excise	442.69
Rajasthan Value Added Tax Act	State Sales Tax/ VAT	2009-10 TO 2010-11 (KCC)	Dy. Commissioner Appeal (Bikaner)	28.74
Rajasthan Value Added Tax Act	Entry Tax	2004-05 TO 2013-14 (KCC)	Dy. Commissioner Appeal (Bikaner)	502.79
Property Tax Act	Property Tax	2006-07 TO 2012-13	High Court, Jaipur	2070.26
Income Tax Act	Income Tax	2008-09 & 2011-12 (H O)	Commissioner of Income Tax (Appeal)	3767.36
Central Excise Act	Central Excise	2007-08 TO 2013-14 (TCP)	CESTAT	448.01
Maharashtra Value Added Tax Act	State Sales Tax/ VAT	1994-95 (TCP)	Appellate Authority	16.81
			Total:	10250.29

- 10 According to information and explanations provided to us, the Company has no accumulated losses as at 31st March 2014 and it has not incurred any cash losses in the financial year ended on that date and in the immediately preceding financial year.
- 11 Based on our audit procedures and the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders.
- 12 Based on our of records, we are of the opinion that the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- 13 According to information and explanations provided to us, in our opinion the Company is not a chit fund or a nidhi / mutual benefit fund / society.
- 14 According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments.
- 15 According to information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions.
- 16 According to information and explanations given to us, the Company has not obtained any term loan during the year under audit.



ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT (Contd.)

- 17 According to the information and explanations given to us and on an overall examination of the balance sheet of the company we report that no funds raised on short term basis have been used for long term investment.
- 18 The company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956.
- 19 The Company has not issued any debentures during the year under audit. Therefore, reporting under this clause is not applicable to the company.
- 20 The Company has not raised any money during the year covered by audit by way of public issue.
- 21 According to information and explanations given to us, certain financial irregularities were committed as stated vide Clause No. 16 of Note No.35 to the accounts (General Notes on Accounts). Since the management has not declared the same as fraud, we could not state whether the same as fraud pending decision of legal proceedings / FIR filed in this regard.

For A.KAYES & CO.
Chartered Accountants
Firm Registration No. 311149E

CA.A.KAYES
Partner
Membership No. 050363
Place : New Delhi
Dated : 24th May, 2014

For S R I ASSOCIATES
Chartered Accountants
Firm Registration No. 305109E

CA I. PASHA
Partner
Membership No. 013280

**BALANCE SHEET AS AT 31st MARCH 2014**

PARTICULARS	Note No.	As at	
		31st March, 2014	31st March, 2013
I. EQUITY AND LIABILITIES			
(1) SHAREHOLDERS' FUNDS			
(a) Share Capital	3	46260.90	46260.90
(b) Reserves and Surplus	4	136666.11	118947.83
(2) SHARE APPLICATION MONEY			
PENDING ALLOTMENT			
(3) NON-CURRENT LIABILITIES	5	-	-
(a) Long Term Borrowings	6	-	-
(b) Deferred Tax Liabilities (net)	7	-	-
(c) Other Long Term Liabilities	8	2175.35	684.60
(d) Long Term Provisions	9	3430.47	6838.22
(4) CURRENT LIABILITIES			
(a) Short Term Borrowings	10	-	-
(b) Trade Payables	11	7645.11	8574.82
(c) Other Current Liabilities	12	10588.32	12422.09
(d) Short Term Provisions	13	16999.53	14379.84
EQUITY & LIABILITIES - TOTAL		223765.79	208108.30
II. ASSETS			
(1) NON-CURRENT ASSETS			
(a) Fixed Assets			
(i) Tangible Assets	14.1	21179.30	20632.71
(ii) Intangible Assets	14.2	-	-
(iii) Capital Work In Progress	14.3	11454.55	5631.72
(b) Mine Development Expenditure	15	57616.81	53081.24
(c) Non Current Investments	16	1100.00	200.00
(d) Deferred Tax Assets (net)	7	3790.32	3754.94
(e) Long-Term Loans and Advances	17	5753.52	5726.01
(f) Other Non-Current Assets	18	-	-
(2) CURRENT ASSETS			
(a) Current Investments	19	11376.62	8658.32
(b) Inventories	20	42238.88	37827.82
(c) Trade Receivables	21	19882.61	18450.53
(d) Cash & Bank Balances	22	40030.43	43845.41
(e) Short-term Loans and Advances	23	6382.81	6057.45
(f) Other Current Assets	24	2959.94	4242.15
TOTAL ASSETS		223765.79	208108.30
Corporate Information	1		
Significant Accounting Policies	2		
General Notes on Accounts	35		

The schedules 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)

Place : New Delhi

Dated : 24th May, 2014

In terms of our report of even date attached.

For A.KAYES & CO.

FRN 311149E

Chartered Accountants

CA.A.KAYES
(M No. 050363)

Partner

Place : New Delhi

Dated : 24th May, 2014

For S R I ASSOCIATES

FRN 305109E

Chartered Accountants

CA I. PASHA
(M.No. 013280)

Partner

Place : New Delhi

Dated : 24th May, 2014



PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH 2014

		(₹ in lac)	
	Note No.	For the year ended 31st March, 2014	For the year ended 31st March, 2013
INCOME			
Revenue from Operations (Gross)	25	162265.67	147341.97
Less : Excise Duty		<u>13377.54</u>	<u>15028.29</u>
Revenue from Operations (Net)		148888.13	132313.68
Other Income	26	9503.93	24970.25
TOTAL INCOME		<u>158392.06</u>	<u>157283.93</u>
EXPENDITURE			
Cost of Materials Consumed	27	6682.68	5521.96
Changes in Inventories of Finished Goods, Semi-Finished and In-Process	28	(4548.23)	(4471.91)
Excise Duty on Closing Stock		277.19	228.29
Employees' Benefits Expenses	29	36198.93	35526.02
Finance Cost	30	231.85	428.26
Depreciation and Amortisation Expenses	31	17414.09	15098.18
General, Administration and Other Expenses	32	59806.43	64655.10
TOTAL EXPENDITURE		<u>116062.94</u>	<u>116985.90</u>
PROFIT BEFORE PRIOR PERIOD ITEMS, EXCEPTIONAL AND EXTRAORDINARY ITEMS AND TAX			
		42329.12	40298.03
Prior Period Adjustments (net)	33	(735.78)	(63.25)
PROFIT BEFORE EXCEPTIONAL AND EXTRAORDINARY ITEMS AND TAX			
		43064.90	40361.28
Exceptional items		-	-
PROFIT BEFORE EXTRAORDINARY ITEMS AND TAX			
		43064.90	40361.28
Extraordinary items		-	-
PROFIT BEFORE TAX			
		43064.90	40361.28
TAX EXPENSES			
	34		
i) Current Tax		14458.00	7969.96
iii) Deferred Tax		<u>(35.38)</u>	<u>(3173.03)</u>
TOTAL TAX EXPENSES		<u>14422.62</u>	<u>4796.93</u>
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS			
		28642.28	35564.35
Profit from discontinuing operations		-	-
Tax expense of discontinuing operations		-	-
PROFIT FROM DISCONTINUING OPERATIONS AFTER TAX			
		-	-
PROFIT FOR THE YEAR			
		<u>28642.28</u>	<u>35564.35</u>
Earning per share (Equity shares, face value of Rs 5/- each)			
BASIC		3.10	3.84
DILUTED		3.10	3.84
Corporate Information	1		
Significant Accounting Policies	2		
General Notes on Accounts	35		

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 : New Delhi
Dated : 24th May, 2014

In terms of our report of even date attached.

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

For S R I ASSOCIATES
FRN 305109E
Chartered Accountants

CA.A.KAYES
(M No. 050363)
Partner
Place : New Delhi
Dated : 24th May, 2014

CA I. PASHA
(M.No. 013280)
Partner
Place : New Delhi
Dated : 24th May, 2014



CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2014

(₹ in lac)

	Year ended 31st March '2014	Year ended 31st March '2013
A. CASH FLOW FROM OPERATING ACTIVITIES :		
NET PROFIT/ (LOSS) BEFORE TAX AS PER PROFIT AND LOSS ACCOUNT	43,064.90	40,361.28
Adjusted for :		
Depreciation	1,532.67	1,759.69
Provisions charged	737.91	938.70
Provisions written back	(1,510.51)	(16,248.57)
Interest expense	231.85	428.26
Amortisation	15,881.42	13,338.49
Interest income	(4,793.12)	(5,506.19)
Dividend income	(326.88)	(847.22)
Prior year adjustments (net)	(735.78)	(63.25)
Transfer from Special reserve	(1.31)	(0.76)
Loss / (Profit) on disposal of fixed assets	6.40	(5.79)
OPERATING PROFIT/ (LOSS) BEFORE WORKING CAPITAL CHANGES	54,087.55	34,154.64
Adjusted for :		
Decrease/ (Increase) in Trade & other Receivables	(1,489.71)	(6,296.63)
Decrease/ (Increase) in Inventories	(3,733.28)	(3,484.41)
Decrease/ (Increase) in Loans, Advances and Other Current assets	(460.94)	(2,455.81)
Increase/ (Decrease) in Trade Payables & Provisions	125.59	9,750.34
CASH GENERATED FROM OPERATIONS	48,529.21	31,668.13
Prior period adjustments (net)	735.78	63.25
Taxes paid	(16,122.28)	(10,233.84)
NET CASH FROM OPERATING ACTIVITIES (A)	33,142.71	21,497.54
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Fixed Assets	(8,864.97)	(4,039.59)
Sale of Fixed Assets	67.77	15.43
Interest received	6,096.14	3,742.25
Dividend received	326.88	847.22
Investment in Mutual Funds	(3,618.30)	6,004.66
Mine Development Expenditure	(19,908.77)	(17,960.96)
NET CASH USED IN INVESTING ACTIVITIES (B)	(25,901.25)	(11,390.99)
Dividends paid	(9,252.18)	(9,252.18)
Tax on Dividend	(1,572.41)	(1,500.93)
Interest paid	(231.85)	(428.26)
NET CASH USED IN FINANCING ACTIVITIES (C)	(11,056.44)	(11,181.37)
NET INCREASE IN CASH AND CASH EQUIVALENTS (A + B + C)	(3,814.98)	(1,074.82)
CASH AND CASH EQUIVALENTS - opening balance	43,845.41	44,920.23
CASH AND CASH EQUIVALENTS - closing balance	40,030.43	43,845.41
(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 : New Delhi
Dated :24th May, 2014



CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2014 (Contd.)

ANNEXURE - A

(₹ in lac)

1. CASH AND CASH EQUIVALENTS - opening balance	01/04/2013	01/04/2012
i) Cash & Bank balance	43,845.41	44,920.23
ii) Cash Credit balance	0.00	0.00
	<u>43,845.41</u>	<u>44,920.23</u>
CASH AND CASH EQUIVALENTS - closing balance	31/03/2014	31/03/2013
i) Cash & Bank balance	40,030.43	43,845.41
ii) Cash Credit balance	0.00	0.00
	<u>40,030.43</u>	<u>43,845.41</u>

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

This is the Cash Flow Statement referred to in our report of even date attached.

For A KAYES & CO.
FRN 311149E
Chartered Accountants

For S R I ASSOCIATES
FRN 305109E
Chartered Accountants

CA A. KAYES
(M No. 50363)
Partner

CA I. PASHA
(M No. 013280)
Partner

Place : New Delhi
Dated :24th May, 2014

Place : New Delhi
Dated :24th May, 2014



1. CORPORATE INFORMATION

Hindustan Copper Limited is a public limited company domiciled in India and earlier incorporated under the provisions of Companies Act, 1956 since replaced 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, refining of copper.

2. SIGNIFICANT ACCOUNTING POLICIES

a. BASIS OF ACCOUNTING :

The financial statements are prepared under historical cost convention from the books of account maintained on an accrual basis and in accordance with the Accounting Standards issued by the Institute of Chartered Accountants of India.

b. 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.

c. FIXED ASSETS :

- c.1.** Fixed assets are recorded at cost net of CENVAT and VAT credit wherever applicable less accumulated depreciation and impairment loss, if any.
- c.2.** 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.
- c.3.** 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.
- c.4.** Expenses incurred for implementation of new projects are carried forward against respective projects till execution. Expenses rendered in fructuous on projects abandoned subsequently are provided in the Profit & Loss Account.
- c.5.** Physical verification of fixed assets is carried out once in every three years. Shortage/excess, if any, is provided for in the year of identification.

d. DEPRECIATION :

Depreciation on fixed assets is provided on straight line method at the rates prescribed in schedule XIV to the Companies Act, 1956. Depreciation on assets acquired prior to 1.04.93 is charged on derived rates



SCHEDULES FORMING PART OF THE ACCOUNTS (*Contd.*)

by allocating the unamortized value over the remaining life arrived at on the basis of rates prescribed under the Schedule XIV to the Companies Act, 1956. Depreciation in respect of plant & machinery and building of new project is charged from the date of commercial production.

e. INVESTMENTS :

- e.1 Current investments are individually valued at lower of cost or fair market value.
- e.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.

f. 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 depreciation and special reserve created for the same is apportioned over the life of the assets by transfer to profit and loss account.

g. 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 one 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.

h. MINE DEVELOPMENT EXPENDITURE:

- h.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.
- h.2 In case of working mines, where development activities are going on simultaneously:** Expenses are apportioned between capital or revenue on the basis of in-house technical estimates.
- h.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.
- h.4.** Expenditure incurred on exploration of new deposits is included in mine development expenditure. If the exploration activities are found to be not fruitful, 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.

i. MAJOR OVERHAULING EXPENSES :

Only revenue expenditure attributable to major overhaul of smelter or refinery is charged off to the Accounts in the year of incurrence.



j. 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.

k. INVENTORIES:

- k.1.** Stocks of stores and spare parts, loose tools and materials-in-transit are valued at cost. The raw materials are 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.
- k.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 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.
- k.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.
- k.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.
- k.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.
- k.6.** Imported materials are valued at 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.
- k.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 purchased subsequent to purchase of original asset are charged to revenue on consumption.
- k.8.** Scrap sales are accounted for on delivery of material.

1. REVENUE RECOGNITION

1.1 SALES :

I.1.1 Sales are net of discounts other than cash discounts.

I.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.



SCHEDULES FORMING PART OF THE ACCOUNTS (Contd.)

I.2 OTHER INCOME:

1.2.1 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.

1.2..2 Conversion charges :

Income from conversion of job work is accounted for on the basis of dispatches made .

1.3.3 Interest on L/C bills :

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

m. FOREIGN EXCHANGE TRANSACTIONS:

- m.1 Foreign currency transactions on initial recognition in the reporting currency are accounted for at the exchange rates prevailing on the date of transaction.
- m.2 At each Balance Sheet date, foreign currency monetary items are translated using the mean exchange rates prevailing on the Balance Sheet date and non-monetary items are translated using the exchange rate prevailing on the date of transaction or on the date when the fair value of such item was determined.
- m.3 The loss or gain thereon and also the exchange differences on settlement of the foreign currency transactions during the year are recognized as income or expense and adjusted to the statement of Profit and Loss Account except where such liabilities and / or transactions related to fixed assets / projects and these were incurred / entered into before 1.4.2004, in which case, these are adjusted to the cost of respective fixed assets.

n. RETIREMENT BENEFITS:

n.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 Account.

n.2. Deficit in Provident Fund:

Deficit, if any, on account of Provident Fund Trust is accounted for on the basis of accrued liability, as ascertainable on the basis of last accounts closed by the Provident Fund Trust.

n.3 Voluntary Retirement Expenses

n.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 AS-15.

n.3.2 Paid out of Government Grant :

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



o. BORROWING COST:

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

p. 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 as at Balance Sheet Date every year to reassess the realisability thereof.

q. GENERAL :

q.1 Contingent Liability :

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

q.2 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.

q.3 Prior Period & 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 Rs 50,000.00 and below are charged to natural heads of accounts.

q.4 Research and Development Expenditure :

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



SCHEDULES FORMING PART OF THE BALANCE SHEET

Note No. 3 SHARE CAPITAL

(₹ in lac)

	As at 31st March, 2014		As at 31st March, 2013	
	In No.	(₹ in lac)	In No.	(₹ in lac)
a) AUTHORISED SHARE CAPITAL				
- Equity Share Capital	1800000000	90000.00	1800000000	90000.00
- 7.50% Non-Cum. Redeemable Preference Shares	2000000	20000.00	2000000	20000.00
b) PAR VALUE PER EQUITY SHARE (in ₹)		5.00		5.00
c) PAR VALUE PER PREFERENCE SHARE (in ₹)		1000.00		1000.00
d) NO. OF SHARES ISSUED, SUBSCRIBED AND FULLY PAID UP				
- Equity Share Capital	925218000	46260.90	925218000	46260.90
- 7.50% Non-Cum. Redeemable Preference Shares	-	-	-	-
TOTAL		46260.90		46260.90
e) RECONCILIATION OF NO. OF SHARES & SHARE CAPITAL				
OUTSTANDING:	<u>No. of Shares</u>	<u>(₹ in lac)</u>	<u>No. of Shares</u>	<u>(₹ in lac)</u>
OUTSTANDING AS ON 01.04.2013	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	-	-	-	-
OUTSTANDING AS ON 31.03.2014	<u>925218000</u>	<u>46260.90</u>	<u>925218000</u>	<u>46260.90</u>
f) TERMS/RIGHTS ATTACHED TO EQUITY SHARES				
	The Company has only one class of Equity Shares having par value of ₹5/- each and is entitled to one vote per share. The dividend proposed by Board of Directors is subject to the approval of the share-holders in the ensuing Annual General Meeting.			
g) SHARES IN THE COMPANY HELD BY EACH SHAREHOLDER HOLDING MORE THAN 5 PERCENT OF THE NUMBER OF SHARES				
	<u>In No.</u>	<u>In (%)</u>	<u>In No.</u>	<u>In (%)</u>
- President of India	<u>832696200</u>	<u>90.00%</u>	<u>869815352</u>	<u>94.01%</u>



SCHEDULES FORMING PART OF THE BALANCE SHEET (Contd.)

Note No. 4 RESERVES AND SURPLUS

(₹ in lac)

	<u>As at 31st</u>		<u>As at 31st</u>	
	<u>March, 2014</u>		<u>March, 2013</u>	
a) CAPITAL RESERVE				
AS PER LAST BALANCE SHEET	21166.24		21166.24	
Add: Transfer from Surplus	-		-	
AS AT BALANCE SHEET DATE	<u>21166.24</u>		<u>21166.24</u>	
b) SPECIAL RESERVE FOR S & T ASSETS				
AS PER LAST BALANCE SHEET	8.94		9.70	
Less: Transfer to Surplus	1.31		0.76	
AS AT BALANCE SHEET DATE	<u>7.63</u>		<u>8.94</u>	
c) GENERAL RESERVE				
AS PER LAST BALANCE SHEET	6783.13		4115.80	
Add: Transfer from Surplus	2175.45		2667.33	
AS AT BALANCE SHEET DATE	<u>8958.58</u>		<u>6783.13</u>	
d) CORPORATE SOCIAL RESPONSIBILITY FUND				
AS PER LAST BALANCE SHEET	705.56		568.92	
Add: During the year	-		136.64	
Less: Amount reversed during the year	31.25		-	
Less: Amount used during the year	66.85	607.46	-	705.56
AS AT BALANCE SHEET DATE	<u>607.46</u>		<u>705.56</u>	
e) SURPLUS *	105926.20		90283.96	
TOTAL	<u>136666.11</u>		<u>118947.83</u>	
DETAILS OF SURPLUS *				
Profit for the year as per Statement of Profit and Loss	28642.28		35564.35	
Balance brought forward	90283.96		68211.53	
BALANCE AVAILABLE FOR APPROPRIATION	<u>118926.24</u>		<u>103775.88</u>	
i) Transfer to General Reserve	2175.45		2667.33	
ii) Dividend :				
- Interim	-		-	
- Final	9252.18		9252.18	
iii) Tax on Dividend				
- Interim	-		-	
- Final	1572.41		1572.41	
BALANCE CARRIED FORWARD	<u>105926.20</u>		<u>90283.96</u>	

Note No. 5 SHARE APPLICATION MONEY PENDING ALLOTMENT

a) SHARE APPLICATION MONEY PENDING ALLOTMENT		
- Equity Shares	-	-
- Preference Shares	-	-
-	-	-
TOTAL	<u>-</u>	<u>-</u>



SCHEDULES FORMING PART OF THE BALANCE SHEET (Contd.)

Note No. 6 LONG TERM BORROWINGS

(₹ in lac)

	As at 31st March, 2014	As at 31st March, 2013
a) BONDS/ DEBENTURES		
- Secured	-	-
- Unsecured	-	-
b) TERM LOANS		
• From Banks/ FIs		
- Secured	-	-
- Unsecured	-	-
• From other parties		
- Secured	-	-
- Unsecured	-	-
c) DEFERRED PAYMENT LIABILITIES	-	-
d) DEPOSITS	-	-
TOTAL	<u>-</u>	<u>-</u>
Aggregate amount of loans guaranteed by directors	₹ Nil	₹ Nil
Aggregate amount of loans guaranteed by Others-GOI	₹ Nil	₹ Nil
Amount of default in repayment of loans and interest as at 31.03.2014	₹ Nil	₹ Nil
Period of default in repayment of loans and interest as at 31.03.2014	Nil	Nil

Note No. 7 DEFERRED TAX LIABILITIES / ASSETS

i) DEFERRED TAX ASSET			
OPENING BALANCE	7782.17		10362.64
Charge during the year	376.28		(2580.47)
CLOSING BALANCE		8158.45	7782.17
ii) DEFERRED TAX LIABILITY			
OPENING BALANCE	(4027.24)		(9780.74)
Credit during the year	(340.90)		5753.50
CLOSING BALANCE		(4368.14)	(4027.24)
i) - ii) DEFERRED TAX ASSETS / (LIABILITIES) (Net)		<u>3790.32</u>	<u>3754.94</u>

Note No. 8 OTHERS LONG TERM LIABILITIES

a) TRADE PAYABLES		
i) Total outstanding dues to Sundry Creditors-Goods	-	-
ii) Total outstanding dues to Sundry Creditors-Others	-	-
b) OTHERS		
i) Deposits/ Retention money	2175.35	684.60
TOTAL	<u>2175.35</u>	<u>684.60</u>



SCHEDULES FORMING PART OF THE BALANCE SHEET (Contd.)

Note No. 9 LONG TERM PROVISIONS

(₹ in lac)

	<u>As at 31st</u>		<u>As at 31st</u>
	<u>March, 2014</u>		<u>March, 2013</u>
a) PROVISION FOR EMPLOYEE BENEFITS			
i) PROVISION FOR LEAVE ENCASHMENT			
AS PER LAST BALANCE SHEET	7256.00	6487.70	
Additions during the year	599.29	768.30	
Amount used during the year	-	-	
CLOSING BALANCE	<u>7855.29</u>	<u>7256.00</u>	
ii) PROVISION FOR GRATUITY			
AS PER LAST BALANCE SHEET	(417.78)	110.29	
Additions during the year	2000.00	1500.00	
Amount used during the year	6007.04	2028.07	
CLOSING BALANCE	<u>(4424.82)</u>	<u>(417.78)</u>	
TOTAL	<u>3430.47</u>	<u>6838.22</u>	

Note No. 10 SHORT TERM BORROWINGS

a) SHORT TERM LOANS			
• 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	-	-	
TOTAL	<u>-</u>	<u>-</u>	
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 31.03.2014	₹ Nil	₹ Nil	
Period of default in repayment of loans and interest as at 31.03.2014	Nil	Nil	

Note No. 11 TRADE PAYABLES

i) Total outstanding dues to Sundry Creditors-Goods	5660.31	6218.09
ii) Total outstanding dues to Sundry Creditors-Services	1984.80	2356.73
TOTAL	<u>7645.11</u>	<u>8574.82</u>

Note No. 12 OTHER CURRENT LIABILITIES

i) Unpaid dividend	8.31	3.75
ii) Deposits/ Retention money	547.99	2304.24
iii) Statutory dues payables	3245.02	3232.39
iv) Other liabilities	498.27	273.33
v) Advances from Customers	1531.26	1778.42
vi) Sundry Creditors - Others	4757.47	4829.96
TOTAL	<u>10588.32</u>	<u>12422.09</u>



SCHEDULES FORMING PART OF THE BALANCE SHEET (Contd.)

Note No. 13 SHORT TERM PROVISIONS

(₹ in lac)

	As at 31st March, 2014	As at 31st March, 2013
a) PROVISION FOR EMPLOYEE BENEFITS		
i) PROVISION FOR LEAVE ENCASHMENT		
AS PER LAST BALANCE SHEET	555.79	515.87
Additions during the year	90.27	39.92
Amount used during the year	-	-
CLOSING BALANCE	646.06	555.79
ii) PROVISION FOR GRATUITY		
AS PER LAST BALANCE SHEET	407.35	44.78
Additions during the year	3988.35	362.57
Amount used during the year	-	-
CLOSING BALANCE	4395.70	407.35
iii) PROVISION FOR LEAVE TRAVEL CONCESSION (LTC)		
AS PER LAST BALANCE SHEET	57.79	51.63
Additions during the year	14.68	6.16
Amount used during the year	-	-
CLOSING BALANCE	72.47	57.79
iv) PROVISION FOR PRP/INCENTIVE		
AS PER LAST BALANCE SHEET	600.00	800.00
Additions during the year	500.00	600.00
Amount used during the year	600.00	800.00
CLOSING BALANCE	500.00	600.00
b) OTHERS		
i) PROVISION FOR CURRENT TAXATION		
AS PER LAST BALANCE SHEET	48680.38	40710.42
Additions during the year	14458.00	7969.96
Amount used during the year	-	-
CLOSING BALANCE	63138.38	48680.38
Less : Advance Tax paid	64871.17	48750.05
CLOSING BALANCE (NET OF ADVANCE TAX)	(1732.79)	(69.67)
ii) PROPOSED DIVIDEND		
AS PER LAST BALANCE SHEET	9252.18	9252.18
Additions during the year	9252.18	9252.18
Amount used during the year	9252.18	9252.18
CLOSING BALANCE	9252.18	9252.18
iii) TAX ON PROPOSED DIVIDEND		
AS PER LAST BALANCE SHEET	1572.41	1500.93
Additions during the year	1572.41	1572.41
Amount used during the year	1572.41	1500.93
CLOSING BALANCE	1572.41	1572.41
iv) PROVISION - OTHERS		
AS PER LAST BALANCE SHEET	2003.99	4394.13
Additions during the year	6972.49	6593.71
Amount used during the year	6682.98	8983.85
CLOSING BALANCE	2293.50	2003.99
TOTAL	16999.53	14379.84



SCHEDULES FORMING PART OF THE BALANCE SHEET (Contd.)

Note No. 14.1 TANGIBLE ASSETS

(₹ in lac)

	As at 31st		As at 31st	
	March, 2014		March, 2013	
ACTIVE ASSETS *				
Gross Block		83506.51		80754.18
Less: Depreciation	61858.63		60121.47	
Less: Impairment Loss	468.58	62327.21	-	60121.47
NET BLOCK		21179.30		20632.71
DISCARDED ASSETS **				
Gross Block		6243.81		6921.47
Less: Depreciation		5493.37		6137.15
NET BLOCK		750.44		784.32
Less: Provision		750.44		784.32
NET BLOCK (NET OF PROVISIONS)		-		-

Note No. 14.2 INTANGIBLE ASSETS

Gross Block	-	-
Less: Depreciation	-	-
NET BLOCK	-	-



SCHEDULES FORMING PART OF THE BALANCE SHEET (Contd.)

DESCRIPTION	GROSS BLOCK										DEPRECIATION & IMPAIRMENT LOSS										NET BLOCK						
	Costs at 01.04.2013					During the Year					Costs at 31.03.2014					For the year Upto 01.04.2013					During the Year Upto 31.03.2014					As at 31.03.2014	As at 31.03.2013
	Additions	Deduction/ Sale	Inter Head Transfer In/(Out)	Transfer from Discarded Asset	Costs at 31.03.2014	Additions	Deduction/ Sale	Inter Head Transfer In/(Out)	Transfer from Discarded Asset	Costs at 31.03.2014	Upto 01.04.2013	For the year	Deduction/ Sale	Inter Head Transfer In/(Out)	Transfer from Discarded Asset	Upto 31.03.2014	Deduction/ Sale	Inter Head Transfer In/(Out)	Transfer from Discarded Asset	Upto 31.03.2014	As at 31.03.2014	As at 31.03.2013					
Land :																											
Free hold	151.61				151.61																151.61	151.61					
Lease hold	1852.68				1852.68																1852.10	1669.24					
Buildings including Sanitary and Water Supply System	11225.88	170.59			11396.47																4898.20	4900.62					
Plant, Machinery and Mining Equipment	57357.85	1938.23	1103.35	677.66	58870.39																11586.61	11897.90					
Furniture & Fixtures	623.72	24.27	0.40		647.59																154.91	137.56					
Vehicles	850.91	84.48	8.05		927.34																225.80	171.80					
Office Equipment, Hospital, Survey and Drawing Equipment	663.00	19.52	0.88	10.94	681.64																224.55	223.59					
Roads, Bridges and Culverts	590.85	47.91			638.76																382.13	344.17					
Railway Siding	478.39				478.39																362.54	384.08					
Electrical Equipment and Installation	3301.24	883.60	0.34	(10.94)	4184.50																1386.30	578.45					
Shafts and Inclines	3658.05	19.09			3677.14																224.55	243.69					
Total	80754.18	3187.69	1113.02	0.00	85506.51	0.00	677.66	0.00	677.66	60121.47	2132.23	# 1038.85	0.00	643.78	0.00	468.58	63297.21	0.00	468.58	21179.30	20632.71						
Previous Year	78814.55	2065.54	186.41	0.00	80754.18	57897.14	2354.62	# 176.77	0.00	46.48	60121.47	20632.71	643.78	0.00	468.58	63297.21	0.00	468.58	21179.30	20632.71	20632.71						
Discarded Assets	6921.47				6243.81																750.44	784.32					
Less Provision																					750.44	784.32					
Discarded Assets (net of provision)																											

Refer main Profit & Loss Account and Note No 14.3 & 15



SCHEDULES FORMING PART OF THE BALANCE SHEET (Contd.)

DESCRIPTION	GROSS BLOCK										DEPRECIATION				NET BLOCK	
	Cost as at 01.04.2013	Additions	Deduction/ Sale	During the Year		Cost as at 01.04.2014	Transfer to Discarded Asset	Upto 01.04.2013	For the year	During the Year		Upto 01.04.2014	As at 31.03.2014	As at 31.03.2013		
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.		
Land :																
Free hold	0.62				0.62								0.62	0.62		
Lease hold	19.23				19.23			16.21				16.21	3.02	3.02		
Buildings including Sanitary and Water Supply System	334.90				334.90			153.45				153.45	181.45	181.45		
Plant, Machinery and Mining Equipment	5600.99				677.66	4923.33		5187.00		643.78		4543.22	380.11	413.99		
Vehicles	64.02				64.02			59.84				59.84	4.18	4.18		
Office Equipment, Hospital, Survey and Drawing Equipment	31.40				31.40			25.14				25.14	6.26	6.26		
Roads, Bridges and Culverts	37.01				37.01			12.08				12.08	24.93	24.93		
Electrical Equipment and Installation	217.91				217.91			159.74				159.74	58.17	58.17		
Shafts and Inclines	615.39				615.39			523.69				523.69	91.70	91.70		
Total	6921.47	-	-	677.66	6243.81	-	6137.15	-	-	643.78	-	5493.37	750.44	784.32		
Less Provision													750.44	784.32		
Discarded Assets (net of provision)													-	-		

DETAILS OF DISCARDED ASSETS ***



SCHEDULES FORMING PART OF THE BALANCE SHEET (Contd.)

Note No. 14.3 CAPITAL WORK IN PROGRESS

(₹ in lac)

	As at 31st March, 2014	As at 31st March, 2013
i) Plant & Machinery	3893.08	3758.46
ii) Others including Mine Expansion	10954.38	5264.47
	14847.46	9022.93
Less: Provision	3392.91	3391.21
TOTAL	11454.55	5631.72

Note No. 15 MINE DEVELOPMENT EXPENDITURE

As per Last Balance Sheet	57746.10	52528.70
Add: Expenditure during the Year (as per Note Below)	20416.98	18555.89
	78163.08	71084.59
Less: Value of Ore recovered during Mine Development	-	-
Less: Amortisation during the Year	15881.41	13338.49
	62281.67	57746.10
Less: Provision	4664.86	4664.86
TOTAL	57616.81	53081.24

Note: MINE DEVELOPMENT EXPENDITURE DURING THE YEAR

i) Salaries, Wages, Allowances	3074.09	3400.28
ii) Contribution to Provident & Other Funds	272.46	307.95
iii) Workmen & Staff Welfare Expenses	197.69	238.47
iv) Gratuity	882.24	818.21
v) Stores, Spares & Tools Consumed	4903.48	5182.42
vi) Power, Fuel & Water	486.08	417.00
vii) Royalty	-	-
viii) Repair & Maintenance	4510.56	3099.13
ix) Insurance	2.41	2.28
x) Overburden Removal Expenditure	5352.27	4225.46
xi) Depreciation	508.21	594.93
xii) Other Expenses	227.49	269.76
TOTAL	20416.98	18555.89



SCHEDULES FORMING PART OF THE BALANCE SHEET (Contd.)

Note No. 16 NON-CURRENT INVESTMENTS

(₹ in lac)

	<u>As at 31st March, 2014</u>	<u>As at 31st March, 2013</u>
i) Non Trade Investment in Debentures	0.17	0.17
Less : Provision for diminution in value	<u>0.17</u>	<u>0.17</u>
ii) Investment in Mutual Fund (SBI) above 12 months	-	-
iii) Investment in Mutual Fund (UTI) above 12 months	-	-
iv) Investment in Mutual Fund (CANARA ROBECO) above 12 months	-	-
v) Investment in Mutual Fund (IDBI) above 12 months	<u>1100.00</u>	<u>200.00</u>
TOTAL	<u>1100.00</u>	<u>200.00</u>
AGGREGATE BOOK VALUE - UNQUOTED	<u>Nil</u>	<u>Nil</u>
AGGREGATE BOOK VALUE - QUOTED	<u>1100.00</u>	<u>200.00</u>
MARKET PRICE OF QUOTED INVESTMENT	<u>1121.27</u>	<u>200.61</u>

Note No. 17 LONG TERM LOAN AND ADVANCES

a) CAPITAL ADVANCES		
i) Secured (considered good)	2611.81	2667.72
ii) Unsecured (considered good)		
- Against Bank Guarantee	-	-
- Others	-	-
iii) Unsecured (considered doubtful)	0.02	0.02
Less: Provisions for Capital Advances *	<u>0.02</u>	<u>0.02</u>
b) OTHER LOANS & ADVANCES		
i) Employees (including accrued interest)		
- Secured (considered good)	2.86	4.43
- Unsecured (considered good)	-	-
- Unsecured (considered doubtful)	-	-
ii) Other Advances		
- Unsecured (considered doubtful)	-	-
Less: Provision for Other Loans & Advances **	<u>-</u>	<u>-</u>
c) DEPOSITS	3168.93	3083.94
Less: Provisions for Deposits ***	<u>30.08</u>	<u>30.08</u>
TOTAL	<u>5753.52</u>	<u>3053.86</u>

PROVISIONS FOR CAPITAL ADVANCES *

OPENING BALANCE	0.02	0.02
Additions during the year	-	-
Amount used during the year	-	-
CLOSING BALANCE	<u>0.02</u>	<u>0.02</u>

PROVISIONS FOR OTHER LOANS & ADVANCES **

OPENING BALANCE	0.00	7369.57
Additions during the year	-	-
Amount used during the year	<u>0.00</u>	<u>7369.57</u>
CLOSING BALANCE	<u>0.00</u>	<u>0.00</u>

PROVISIONS FOR DEPOSITS ***

OPENING BALANCE	30.08	32.12
Additions during the year	-	0.96
Amount used during the year	<u>3.00</u>	<u>3.00</u>
CLOSING BALANCE	<u>30.08</u>	<u>30.08</u>

PARTICULARS OF LOANS AND ADVANCES DUE FROM DIRECTORS

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



SCHEDULES FORMING PART OF THE BALANCE SHEET (Contd.)

Note No. 18 OTHER NON-CURRENT ASSETS

(₹ in lac)

	<u>As at 31st March, 2014</u>	<u>As at 31st March, 2013</u>
a) LONG TERM TRADE RECEIVABLES	-	-
b) OTHERS		
i) Interest accrued on:		
- Advance to Government of India	-	-
- Others	-	-
ii) Deferred Foreign Currency Fluctuation Assets	-	-
iii) Deferred Expenditure on Foreign Currency Fluctuation Account	-	-
TOTAL	<u>-</u>	<u>-</u>

Note No. 19 CURRENT INVESTMENTS

i) Investment in Mutual Fund (SBI) less than 12 months	5182.32	6402.59
ii) Investment in Mutual Fund (UTI) less than 12 months	2105.57	800.00
iii) Investment in Mutual Fund (CANARA ROBECO) less than 12 months	2336.98	1005.73
iv) Investment in Mutual Fund (IDBI) less than 12 months	1751.75	450.00
TOTAL	<u>11376.62</u>	<u>8658.32</u>

Note No. 20 INVENTORIES

(VALUATION AS PER ACCOUNTING POLICY NO. K)

i) Raw Materials	-	-
ii) Semi-Finished and In-Process (at lower of cost or net realisable value)	34871.45	30112.67
Less: Provision for Semi-Finished and In-Process *	<u>136.27</u>	<u>118.48</u>
iii) Finished Goods (at lower of cost or net realisable value)	877.47	1088.02
iv) Stores and spare	7403.59	8480.74
Stores in transit/ pending inspection	<u>1605.83</u>	<u>1343.63</u>
Less: Provision for Obsolete Stores & Spares **	<u>2384.78</u>	<u>3080.35</u>
v) Loose tools	1.59	1.59
TOTAL	<u>42238.88</u>	<u>37827.82</u>
PROVISION FOR SEMI-FINISHED AND IN-PROCESS *		
OPENING BALANCE	118.48	678.36
Additions during the year	17.79	-
Amount used during the year	<u>0.00</u>	<u>559.88</u>
CLOSING BALANCE	<u>136.27</u>	<u>118.48</u>
PROVISION FOR OBSOLETE STORES & SPARES **		
OPENING BALANCE	3080.35	4799.51
Additions during the year	259.42	1681.27
Amount used during the year	<u>954.99</u>	<u>3400.43</u>
CLOSING BALANCE	<u>2384.78</u>	<u>3080.35</u>



SCHEDULES FORMING PART OF THE BALANCE SHEET (Contd.)

Note No. 21 TRADE RECEIVABLES (DEBTORS)

(₹ in lac)

	As at 31st	As at 31st
	<u>March, 2014</u>	<u>March, 2013</u>
a) DEBTS OUTSTANDING		
i) - Secured - Considered good	19882.61	18450.53
ii) - Unsecured - Considered good	-	-
iii) - Considered doubtful and provided	<u>424.79</u>	<u>367.16</u>
	20307.40	18817.69
Less: Provision for doubtful debts *	<u>424.79</u>	<u>367.16</u>
TOTAL	<u>19882.61</u>	<u>18450.53</u>
PROVISION FOR DOUBTFUL DEBTS *		
OPENING BALANCE	367.16	357.28
Additions during the year	57.63	24.89
Amount used during the year	-	15.01
CLOSING BALANCE	<u>424.79</u>	<u>367.16</u>

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. 22 CASH AND BANK BALANCES

A) CASH AND CASH EQUIVALENTS		
i) Balances with banks	1769.35	720.26
ii) Cheques, drafts on hand	-	-
iii) Cash on hand	3.50	4.08
B) OTHER BANK BALANCES		
i) Bank deposits upto 3 months maturity from date of original investment		
With scheduled banks	-	200.00
With other banks	-	-
ii) Bank deposits with more than 3 months and upto 12 months maturity		
With scheduled banks	33254.14	29513.73
With other banks	-	-
iii) Bank deposits with more than 12 months maturity		
With scheduled banks	4995.13	13001.99
With other banks	-	-
iv) Deposit account-Unpaid Dividend	8.31	3.75
v) Investment in Mutual Fund (SBI) upto 3 months	-	401.60
C) MARGIN MONEY		
i) Margin Money (For opening of letter of credit or similar facilities)	-	-
TOTAL	<u>40030.43</u>	<u>43845.41</u>
AGGREGATE BOOK VALUE - UNQUOTED	₹ Nil	401.60
AGGREGATE BOOK VALUE - QUOTED	₹ Nil	₹ Nil
MARKET PRICE OF QUOTED INVESTMENT	₹ Nil	₹ Nil



SCHEDULES FORMING PART OF THE BALANCE SHEET (Contd.)

Note No. 23 SHORT TERM LOANS AND ADVANCES

(₹ in lac)

	<u>As at 31st March, 2014</u>	<u>As at 31st March, 2013</u>
A) LOANS		
i) -Employees (including accrued interest)	-	-
ii) -Others	-	-
	<hr/>	<hr/>
B) ADVANCES		
i) Employees		
- Unsecured (considered good)	105.09	140.80
- Unsecured (considered doubtful)	2.03	2.03
	<hr/>	<hr/>
	107.12	142.83
ii) Advances to contractors / suppliers		
- Secured (considered good)	-	-
- Unsecured (considered good)		
- Against Bank Guarantee	-	-
- Others	2939.31	3128.08
- Unsecured (considered doubtful)	108.11	95.27
	<hr/>	<hr/>
	3047.42	3223.35
iii) Other Advances		
- Unsecured (considered good)	558.27	659.58
- Unsecured (considered doubtful)	103.59	103.59
	<hr/>	<hr/>
	661.86	763.17
	3816.40	4129.35
Less : Provision for Doubtful Loans and Advances *	213.73	200.89
	<hr/>	<hr/>
	3602.67	3928.46
C) DEPOSITS		
Deposits	2800.00	2128.99
Less : Provision for Doubtful Deposits **	19.86	-
	<hr/>	<hr/>
	2780.14	2128.99
TOTAL	<hr/> 6382.81 <hr/>	<hr/> 6057.45 <hr/>

DETAILS OF PROVISIONS

PROVISION FOR DOUBTFUL LOANS AND ADVANCES *

OPENING BALANCE	200.89	270.58
Additions during the year	12.88	26.61
Amount used during the year	0.04	96.30
CLOSING BALANCE	<hr/> 213.73 <hr/>	<hr/> 200.89 <hr/>

PROVISION FOR DOUBTFUL DEPOSITS **

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

Explanatory Note: -

PARTICULARS OF LOANS AND ADVANCES DUE FROM DIRECTORS

	As at 31.03.2014	As at 31.03.2013
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 Director or member amounts to ₹Nil (Previous year ₹Nil)



SCHEDULES FORMING PART OF THE BALANCE SHEET (Contd.)

Note No. 24 OTHER CURRENT ASSETS

(₹ in lac)

	<u>As at 31st</u>		<u>As at 31st</u>
	<u>March, 2014</u>		<u>March, 2013</u>
a) INTEREST ACCRUED ON			
i) LC from Customers		17.25	27.28
ii) Investments		-	-
iii) Deposits		2063.36	3348.61
iv) Others		16.33	24.07
b) OTHER CURRENT ASSETS			
i) Other Current Assets	248.58		221.24
Less: Provision for Other Current Assets *	<u>3.52</u>		<u>3.52</u>
		245.06	217.72
c) CLAIMS RECOVERABLE			
i) Claims recoverable from different agencies	793.74		800.46
Less: Provision for Doubtful Claims **	<u>175.80</u>	617.94	<u>175.99</u>
			624.47
d) OTHER RECOVERABLES			
i) Other Recoverables		-	-
TOTAL		<u>2959.94</u>	<u>4242.15</u>
 <u>DETAILS OF PROVISIONS</u>			
PROVISION FOR OTHER CURRENT ASSETS *			
OPENING BALANCE		3.52	3.52
Additions during the year		-	-
Amount used during the year		-	-
CLOSING BALANCE		<u>3.52</u>	<u>3.52</u>
PROVISION FOR DOUBTFUL CLAIMS **			
OPENING BALANCE		175.99	589.30
Additions during the year		-	29.38
Amount used during the year		<u>0.19</u>	<u>442.69</u>
CLOSING BALANCE		<u>175.80</u>	<u>175.99</u>



SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT

Note No. 25 REVENUE FROM OPERATIONS

(₹ in lac)

	Year ended 31.03.14	Year ended 31.03.13
SALE OF PRODUCTS		
- Domestic	122192.48	139447.96
- Export	39397.53	8079.16
	<u>161590.01</u>	<u>147527.12</u>
Less : Discount & Rebate	239.06	321.83
SALES (Net of Discounts) (A)	161350.95	147205.29
SALE OF SERVICES (B)	347.37	6.77
OTHER OPERATING REVENUES (C)	567.35	129.91
TOTAL (A+B+C)	162265.67	147341.97

Note No. 26 OTHER INCOME

A) TRADE		
- Claims	125.52	-
- Interest received from Customers	427.48	450.90
SUB TOTAL (A)	553.00	450.90
B) NON-TRADE		
- Dividend income -Mutual Fund	326.88	847.22
- Interest from Term Deposits	3760.83	4819.96
- Interest - Others	604.81	235.33
SUB TOTAL (B)	4692.52	5902.51
C) OTHER INCOME		
- Profit on sale of Assets	-	5.79
- Provisions not required written back #	1510.51	16248.57
- MTM Credit/ Debit & Hedging Expenses	-	5.62
- Profit on Sale of Investment	361.98	552.98
- Penalty & Liquidated Damages	812.87	705.32
- Exchange Rate Variation	10.46	-
- Transfer from Special Reserve	1.30	0.76
- Others	1561.29	1097.80
SUB TOTAL (C)	4258.41	18616.84
TOTAL (A+B+C)	9503.93	24970.25

Details of Provisions not required written back # (Refer Note No. 15 of General Notes on Accounts)

Detail of Provisions not required written back

Bad and doubtful debts	-	0.40
Bad and doubtful advances / deposits	-	7426.35
Bad and doubtful claims	33.69	-
Provision for PF liabilities no longer required	44.18	-
Provision for Fixed Assets	34.21	-
Provision for Royalty on Gold & Silver	70.47	572.88
Provision against Court Cases of M/S Nicco Corporation Ltd	10.00	-
Provision against Court Cases of M/S TTG Industries	86.75	-
Provision for interest on MSMED	30.25	-
Provision for Discarded Assets no longer required	-	22.24
Excess provision of non-moving stores & Spares	493.28	1137.32
Excess Provision for CSR	31.25	-
Provision for interest on Income Tax	57.19	-
Provision for interest on Customs Duty	139.41	-
Provision for Excise Duty on Anode Slime generated	39.32	-
Old Liability no longer required	151.41	1850.01
Provision for CWIP	-	3558.22
Provision for Entry Tax	289.10	-
Provision for Arbitration Award	-	1681.15
TOTAL	1510.51	16248.57



SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT (Contd.)

Note No. 27 COST OF MATERIALS CONSUMED

(₹ in lac)

	<u>Year ended 31.03.14</u>	<u>Year ended 31.03.13</u>
Raw Materials Consumed	6682.68	5521.96
Value of Ore Raised During Mine Development	-	-
TOTAL	<u>6682.68</u>	<u>5521.96</u>

Note No. 28 CHANGES IN INVENTORIES OF FINISHED GOODS, SEMI-FINISHED AND IN-PROCESS

A. OPENING STOCK:

Finished Goods	1088.02	2306.96
Semi-Finished and In-Process	<u>30112.67</u>	<u>24421.82</u>
TOTAL OPENING STOCK	<u>31200.69</u>	<u>26728.78</u>

B. CLOSING STOCK:

Finished Goods	877.47	1088.02
Semi-Finished and In-Process	<u>34871.45</u>	<u>30112.67</u>
TOTAL CLOSING STOCK	<u>35748.92</u>	<u>31200.69</u>
(INCREASE)/ DECREASE (A-B)	<u>(4548.23)</u>	<u>(4471.91)</u>

Note No. 29 EMPLOYEES' BENEFITS EXPENSES

Salaries, Wages & Allowances	27052.33	25502.86
Bonus/Ex-gratia/Performance Related Pay	870.28	1144.14
Contribution to Provident & Other Funds	2264.70	2149.93
Workmen & Staff Welfare Expenses	1616.28	1758.23
Gratuity	<u>4395.34</u>	<u>4970.86</u>
TOTAL	<u>36198.93</u>	<u>35526.02</u>

Explanatory Note: -

The detail of Remuneration paid/payable to

Directors as included in above payments are as follows: -

(i) Salaries & Allowances	148.41	146.95
(ii) Contribution to Provident & Other Funds	9.39	8.19
(iii) Re-imbursement of Medical Expenses	0.51	0.72
(iv) Leave Travel Concession	<u>5.12</u>	<u>4.66</u>
TOTAL	<u>163.43</u>	<u>160.52</u>

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.



SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT (*Contd.*)

Note No. 30 FINANCE COST

(₹ in lac)

	Year ended 31.03.14	Year ended 31.03.13
- Interest on Cash Credit	2.02	0.45
- Others	229.83	427.81
TOTAL	231.85	428.26

Note No. 31 DEPRECIATION AND AMORTISATION EXPENSES

A. DEPRECIATION

Depreciation for the year	2132.23	2354.62
Less: Depreciation transferred to Mine Development Expenditure	508.21	594.93
Less: Depreciation transferred to Mine Expansion	91.34	
Less: Depreciation transferred to Prior Period	-	-
SUB TOTAL (A)	1532.68	1759.69

B. AMORTISATION

Amortisation during the year	15881.41	13338.49
SUB TOTAL (B)	15881.41	13338.49
TOTAL (A+B)	17414.09	15098.18



SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT (Contd.)

Note No. 32 GENERAL, ADMINISTRATION AND OTHER EXPENSES

(₹ in lac)

	Year ended 31.03.14	Year ended 31.03.13
A. OTHER MANUFACTURING EXPENSES		
- Stores ,Spares& Tools Consumed	10318.93	10628.03
- Consumption of Power, Fuel & Water	19014.80	25114.02
- Royalty, Cess & Decretal amount	6702.67	6722.90
- Contractual Job for Process	3422.02	5237.57
- Handling & Transportation	4708.87	2992.49
- Tolling Charges	4712.79	4296.25
SUB TOTAL (A)	48880.08	54991.26
B. REPAIRS & MAINTENANCE		
- Building	157.96	177.17
- Machinery	2041.53	1782.39
- Others	597.60	478.41
SUB TOTAL (B)	2797.09	2437.97
C. MAJOR OVERHAUL EXPENSES	1797.88	308.04
D. ADMINISTRATION EXPENSES		
- Insurance	130.78	140.62
- Rent	111.26	91.05
- Rates and Taxes	1551.11	2103.17
- Security Expenses	557.88	290.75
- Travelling and Conveyance	484.97	440.45
- Telephone, Telex and Postage	89.96	80.08
- Advertisement and Publicity	225.82	173.06
- Printing and Stationery	60.36	48.19
- Books & Periodicals	2.82	7.71
- Consultancy Charges - Indigenous	213.65	159.00
- Consultancy Charges - Foreign	-	-
- Loss on Sale of Assets	6.40	-
- Loss on Sale of Stores	0.57	4.84
- Research & Development Expenses	13.52	4.61
- Corporate Social Responsibility Expenses	711.00	513.36
- Hire Charges	394.10	1182.49
- Audit Expenses (Refer detail below at SI 1)	37.43	33.55
- Director Expenses (Refer below at SI 2)	6.96	5.40
- Other General Expenses	994.88	854.19
SUB TOTAL (D)	5593.47	6132.52



SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT (Contd.)

	Year ended 31.03.14	(₹ in lac) Year ended 31.03.13
E. PROVISIONS (Refer detail below at Sl 3)	737.91	785.31
TOTAL (A+B+C+D+E)	59806.43	64655.10
Explanatory Note: -		
1) Detail of Audit Expenses are as under: -		
i) Statutory Auditors		
As Auditor		
- Statutory Audit Fees	7.92	8.27
- Tax Audit Fees	1.96	1.96
In Other Capacity		
- Other Matters / Services	10.17	6.42
Reimbursement of Expenses	10.33	10.46
ii) Cost Auditors		
- Cost Audit Fees	0.53	1.40
- Reimbursement of Expenses	0.36	0.05
iii) Internal Auditors		
- Audit Fees	1.58	1.68
- Reimbursement of expenses	4.58	3.31
TOTAL	37.43	33.55
2) Sitting fees to Independent Directors	6.96	5.40
3) Detail of Provisions are as under: -		
Doubtful debts	57.63	10.27
Doubtful advances / deposits	12.85	16.51
Prov. For EMD	19.86	-
Prov. For Obsolete /Non-moving Stores	10.52	-
Prov. For Impairment Loss	468.58	-
Interest on MSMED	49.90	122.72
Prov. For Feasibility Study	1.70	-
Prov. For MP Rural Infrastructure & Road Dev. Tax	-	-
Provision for Corporate Social Responsibility	-	136.64
Provision for Rates & Taxes	-	246.57
Provision for Fixed Assets/ Stores	90.29	251.11
Provision for WIP	17.79	-
Provision for Others	8.79	1.49
TOTAL	737.91	785.31
Note No. 33 PRIOR PERIOD ADJUSTMENTS (NET)		
A. INCOME		
Interest Received	10.61	-
Sale of Products	-	73.42
Others	769.48	-
SUB TOTAL (A)	780.09	73.42
B. EXPENDITURE		
Repair & Maintenance	0.92	-
Rates & Taxes	-	1.01
Depreciation	18.05	-
Others	25.34	-
Handling & Transportation	-	9.15
Bank Charges	-	0.01
SUB TOTAL (B)	44.31	10.17
TOTAL	(735.78)	(63.25)
Note No. 34 TAX EXPENSES		
CURRENT TAX		
Income Tax Provision	14458.00	7969.96
Deferred Tax Account	(35.38)	(3173.03)
TOTAL	14422.62	4796.93



SCHEDULES FORMING PART OF THE ACCOUNTS

35 GENERAL NOTES ON ACCOUNTS

(₹ in lac)

	Year 2013-14	Year 2012-13
1. Contingent Liabilities not provided for in respect of :-		
a. Estimated amount of commitments		
i. Capital	895.60	1168.82
b. Other money for which the company is contingently liable		
i. VAT / CST / Entry Tax / Property Tax	2949.05	511.11
ii. Excise Duty / Income Tax	7301.24	5069.97
iii. Others	40855.54	21756.94
TOTAL	<u>52001.43</u>	<u>28506.94</u>
2. The Municipal Council, Malanjkhanda, raised a demand on MCP/HCL amounting to ₹7046.64 lac on account of penalty on Terminal Tax for the period 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 with 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, Malanjkhanda which has since been deposited by the company 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 period 2006-07 to 2011-12 was also raised on the above ground for which case is pending before the Hon'ble Supreme Court. Pending final decision, the full of ₹25914.20 lac amount has been disclosed under 'Contingent Liability'		
3. During the year, the company has made a provision amounting to ₹500.00 lac towards Performance Related Pay payable to the executives for F.Y. 2013-14 which is shown under 'Employees' Benefit Expenses'.		
4. There was a dispute with Madhya Pradesh State Electricity Board regarding interest on electricity tariff amounting to ₹7008.00 lac payable by MCP/HCL which is pending for long time. Jabalpur High Court vide its order dated 01.12.2011 dismissed the writ petition filed by the company. Thereafter, the company preferred SLP before the Hon'ble Supreme Court praying for stay and the Hon'ble Supreme Court vide its judgment dated 13.04.2012 has granted ad-interim stay of the judgment / order dated 01.12.2011 of the Hon'ble High Court of Madhya Pradesh at Jabalpur. Pending final decision, the said amount has been disclosed as a 'Contingent Liability'.		
5. The Municipal Council, Malanjkhanda, Madhya Pradesh issued demands on MCP/HCL for ₹1253.32 lac on account of Property Tax for several years against which the company filed writ petitions with the Madhya Pradesh High Court, Jabalpur challenging the demand notice. Out of the above, an amount of ₹220.85 lac has been paid by the Company based on self assessment from time to time and also as per interim measure as directed by The Madhya Pradesh High Court, Jabalpur. The net amount of ₹1032.47 lac has been included under 'Contingent Liability'.		



SCHEDULES FORMING PART OF THE ACCOUNTS (Contd.)

6. In absence of lease agreement with the State Government in respect of certain leasehold lands, the amortization has been done 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 deed etc. is not under the possession of the company.
7. 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.
8. The mining lease for 479.90 hectare of land in respect of Malanjkhanda Copper Project had expired on 26.08.2013. However, the Company applied for renewal of the same for a further period of 20 years from 27.08.2013 to 26.08.2033 vide renewal application dt 30.07.2012 before the Collector, Balaghat who has forwarded the same with recommendation for renewal on 12.07.2013 to the Secretary, Mineral Resources Department, Govt. of M.P, Bhopal. As per Sub Section (6) of Rule 24A of Mineral Concession Rules, 1960 if application is made for renewal of lease at least 12 months before the date of expiry of lease & the land is not disposed off by the State Government before the date of expiry of the lease, the period of that lease shall be deemed to have been renewed.
9. The commercial operation of Smelter, Refinery and Sulphuric Acid Plant at Khetri Copper Complex were suspended since December 2008. The Company has got the loss on account of impairment of the said plants valued by an independent consultant and consequently a sum of ₹468.58 lac has been provided in the accounts for impairment loss in compliance with the guidelines of AS-28 on "Impairment of Assets" issued by the Institute of Chartered Accountants of India.
10. The title deeds are yet to be executed in respect of office flat at SCOPE Complex, Delhi and Jaipur office having book value of ₹83.85 lac (Previous year ₹85.58 lac).
11. 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, adequate provision for the same has been made in the accounts to take care of efflux of time over the years.
12. Considering the present scenario of MCP mines and to sustain the planned production, management decided to process the lean ore along with normal ore produced from the mine. Therefore 27.50 lac tonne of already excavated copper bearing Lean Ore amounting to ₹6543.29 lac is considered as closing work in progress as on 31.03.2014. The physical verification of lean ore has been verified by the Malanjkhanda Mining Department. This has eventually increased the profit of the company by equivalent amount.
13. Majority of balances under the heads Sundry Creditors, Claims Recoverable, Loans, Advances, Sundry Debtors and bank balances are confirmed and wherever necessary, reconciliation process is in progress.
14. 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 - ₹ 286.81 lac
 - ii) Interest due on above - ₹ 29.09 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



SCHEDULES FORMING PART OF THE ACCOUNTS (Contd.)

- 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 - ₹ 52.37 lac

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.

15. During the year the Company has written back old liabilities / provisions amounting to ₹1510.51 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 – ₹246.52 lac, MCP – ₹49.32 lac, ICC – ₹184.47 lac & TCP – ₹12.97 lac	493.28	Consequent to physical verification conducted and on reconciliation with book records during the year, the excess provision at the end of the year is written back to revenue.
2.	Excess provision on account of Fixed Assets written back in respect of MCP – ₹33.88 lac, TCP – ₹0.18 lac & Delhi – ₹0.15 lac	34.21	Consequent to physical verification conducted and on reconciliation with book records during the year, the excess provision at the end of the year is written back to revenue.
3.	Excess provision of PF Liability provided on ad-hoc basis earlier vis-à-vis actual liability paid and the balance of liability appearing at the end of the year no longer required is written back in KCC	44.18	After thorough reconciliation, the artificial liabilities found in the books of accounts are written back.
4.	Old provision of Royalty in respect of Gold & Silver erroneously created at KCC in earlier years no longer required is written back.	70.47	On scrutiny it is found that no demand for Royalty on Gold & Silver is being made by Appropriate Authority nor is any such liability substantiated by facts and evidences in records. Accordingly non-existent book liability has been written back.
5.	Provision in respect of Entry Tax earlier made being disputed in Appellate Authority for the period 2005-06 and 2008-09 to 2012-13 in respect of KCC is reversed as per the consistent policy followed by the Company to show disputed liabilities under “Contingent Liabilities.”	289.10	Since the matter was taken up under Appellate proceedings, the provision has been reversed and shown under “Contingent Liabilities.”



SCHEDULES FORMING PART OF THE ACCOUNTS (Contd.)

6.	Unclaimed / Old liability for more than 3 years no longer required is written back in respect of MCP – ₹84.55 lac & Bangalore – ₹66.86 lac	151.41	There are old liabilities under various heads remain unclaimed for more than 3 years in the books of accounts. The total unclaimed / old provision has been written back to Revenue by maintaining Memoranda Records for any future references and payments if claimed subsequently.
7.	Write back of excess provision for interest on differential Customs Duty in respect of TCP	139.41	Since the original demand was settled & paid for and there is no further demand from Customs Authority, the excess provision is written back.
8.	Write back of excess provision in respect of CSR expenses no longer required is written back at HO	31.25	Excess provision for CSR earlier made during 2010-11 & 2012-13 is written back.
9.	Write back of provision for interest on Income Tax not demanded by Income Tax Authority at HO	57.19	Provision for interest on Income Tax on longer required is written back
10.	Write back of provision against Court Cases with M/s Nicco Corporation Ltd. & M/s TTG Industries at KCC as per the consistent policy followed by the Company to show disputed liabilities under “Contingent Liabilities.”	96.75	Since the matter is under Appellate proceedings, the provision has been reversed and shown under “Contingent Liabilities.”
11.	Write back of excess provision of Excise Duty on Anode Slime sale pertaining to KCC	39.32	Based on the advice of Tax Consultant, the exact liability on account of Excise Duty on Sale of Anode Slime has been determined and the excess provision already created in earlier years has been written back.
12.	Write back of other miscellaneous provisions no longer required at ICC – ₹19.51 lac, KCC – ₹10.92 lac, MCP – ₹33.51 lac	63.94	There are miscellaneous provisions in the books of accounts without any specific details nor any claim made by parties. As a result, the amount is written back to Revenue for better presentation of accounts.
	TOTAL	1510.51	

16. Special audit was conducted during the current year in respect of financial irregularities in debtors and sales ledger committed in earlier years regarding extending financial benefits to some customers which included allowing delivery of materials without receipt of payment for the same. Appropriate provision have been made in the accounts for uncovered portion of interest and penal interest on interest amounting to ₹50.59 lac. As the Company has already recovered the principal amount and some portion of the interest, the management therefore has decided not to categorize the said occurrence as fraud. Therefore no fraud was committed in the preceding year.

As regard the current year 2013-14, there have been financial irregularities committed regarding fraudulent encashment of cheques at ICC to the tune of ₹19.87 lac at SBI, Ghatsila. Considering the said fraudulent encashment of cheque allowed by SBI Ghatsila as a lapse on their part, they refunded ₹9.46 lac and balance amount is also receivable by the company subject to completion of



SCHEDULES FORMING PART OF THE ACCOUNTS (Contd.)

Bank formalities. However, as a matter of abundant precaution, the receivable amount is appearing in Bank Reconciliation Statement and will be accounted for on actual receipt. Thus the above financial irregularities were committed against the company by outside agency and were beyond the control of the company. This occurrence was not due to any failure of internal control mechanism of the company. Accordingly, the company has not declared such fraudulent encashment of cheques as fraud.

17. In ICC unit, a sum of ₹150.53 lac has been shown as advance with the suppliers though materials were received before the end of the year. Reconciliation is in progress and on being reconciled, the same will be transferred to the natural head of accounts.
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	677.37 (712.19)	- (-)	- (-)	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	- (-)	34.82 (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 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 Sale:-

	<u>Qty (MT)</u>	<u>Year 2013-14</u> <u>(₹ in lac)</u>	<u>Qty (MT)</u>	<u>Year 2012-13</u> <u>(₹ in lac)</u>
Anode Slime	28.200	2548.56	30.000	5210.32
Copper Reverts	575.149	2088.58	730.000	2868.84
Copper Concentrate (CMT)	8360.937	34760.40	-	-
		39397.54		8079.16



SCHEDULES FORMING PART OF THE ACCOUNTS (Contd.)

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

Particulars	Key Management Personnel	Total Remuneration (₹ in lac)	
		Year ended 2013-14	Year ended 2012-13
	1. Sri Shakeel Ahmed CMD	-	34.49 (Part year)
Receiving of Services	2. Sri K D Diwan CMD	45.09	38.58
	3. Sri Anupam Anand D(P)	40.45	38.93
	4. Sri Avijit Ghosh D(Min)	35.46	37.21
	5. Sri Subhendra Nanda D(OP) (From 06.05.2013)	26.93 (Part year)	-
	6. Sri V V Venugopal Rao D(F) (From 10.09.2013)	15.50 (Part year)	-

22. In terms of Accounting Standard – 20 on “Earning Per Share” : (₹ in lac)

	BASIC	DILUTED
Numerator used: Profit After Tax	28642.28 (35564.35)	28642.28 (35564.35)
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 (₹)	3.10 (3.84)	3.10 (3.84)

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)

	Deferred Tax Asset/ (Liability) as at 01.04.2013	Adjustment during the year	Credit/ (Charge) during 2013-14	Deferred Tax Asset/(Liability) as at 31.03.2014
Deferred Tax Asset :-				
Difference between provision made in accounts and claims made as per I. T Act	7782.17	-	376.28	8158.45
	7782.17	-	376.28	8158.45
Deferred Tax Liability :-				
Difference between net book value of depreciable capital assets vis-à-vis WDV as per IT Act	(4027.23)	-	(340.90)	(4368.13)
	(4027.23)	-	(340.90)	(4368.13)
Deferred Tax Asset (Net)	3754.94	-	35.38	3790.32



SCHEDULES FORMING PART OF THE ACCOUNTS (Contd.)

24. PROVISIONS FOR CONTINGENCIES: -

(₹ in lac)

PARTICULARS					
Carrying amount as at 01.04.2013	784.32	3391.21	4664.86	25194.82	34035.21
Amount provided during the year	-	1.70	-	25825.82	25827.52
Amounts utilized against provision	33.88	-	-	25000.26	25034.14
Unused amounts released during the year.	-	-	-	-	-
Carrying amount as at 31.03.2014	750.44	3392.91	4664.86	26020.38	34828.59

25. 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, SBI Life Insurance Ltd and Birla Sun Life Asset Management 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 towards leave encashment. Expenses recognized in Profit & Loss Account and Mine Development Expenditure amounts to ₹9062.35 lac in respect of Gratuity, Leave Encashment and Leave Travel Concession has been made as stated below.

The following tables summarize the components of net benefit expense recognized in the profit and loss account 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)
(i) <u>Change in Defined Benefit Obligation</u>			
Opening defined benefit obligation	21106.49	7811.79	57.79
Current service cost	1406.86	861.68	
Interest cost	1628.21	544.79	
Benefits Paid	3902.06	2805.03	181.91
Actuarial gain / (loss)	4179.14	2088.11	196.59
Closing defined benefit obligation	24418.64	8501.34	72.47
(ii) <u>Change in Fair Value of Assets</u>			
Opening fair value of plan assets	21116.92	1201.62	
Expected return on plan assets	1794.94	102.14	
Actuarial gain / (loss)	(62.04)	7.99	
Contributions by employer	5500.00	3105.03	
Benefits paid	3902.06	2805.03	
Closing fair value of plan assets	24447.76	1611.75	



SCHEDULES FORMING PART OF THE ACCOUNTS (Contd.)

(₹ in lac)

	Gratuity Funded Plan	Leave Encashment (Partially funded Plan)	Leave Travel Concession (Non-funded Plan)
(iii) <u>Amount recognized in the Balance Sheet</u>			
Opening Net Liability	(10.43)	6610.16	
Expenses Recognized	5481.31	3384.45	196.59
Contributions	5500.00	3105.02	
Closing Net Liability	(29.12)	6889.59	196.59
Closing Fund / Provision at end of year	24418.64	8501.34	72.47
(iv) <u>Expenses recognized in the Profit and Loss Account</u>			
Current service cost	1406.86	861.68	
Interest cost	1628.21	544.79	
Expected Return on Plan Asset	1794.94	102.14	
Net actuarial gain / loss recognized in the current year	4241.18	2080.12	196.59
Expenses Recognized as on 31.03.2014	5481.31	3384.45	196.59

The details of the plan assets as on 31.03.2014 towards gratuity & leave encashment are as follows:

(₹ in lac)

Investment in Life Insurance Corporation of India	11956.97
Investment in SBI Life Insurance Ltd	11990.79
Fund with Gratuity Trust Savings Bank Accounts	500.00
Total	24447.76

Actual Return on Plan Assets during the year - ₹1861.22 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%
iv) Inflation Rate	6.00%

The estimates of future salary increases considered in actuarial valuation, take 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.



SCHEDULES FORMING PART OF THE ACCOUNTS (Contd.)

26. The physical verification of stores and spares has been carried out during the year under review. Shortage/ (Excess) identified on physical verification 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 Account as follows:

(₹ in lac)

	As on 31.03.2014	As on 31.03.2013
Excise Duty on Closing Stock	1130.91	853.72
Less: Excise Duty on Opening Stock	<u>853.72</u>	<u>625.43</u>
Net Excise Duty	<u>277.19</u>	<u>228.29</u>

28. As per Accounting Policy (Note No. 2.c.5), the physical verification of fixed assets has been carried out during the year under review. Shortage/(Excess) identified on physical verification have been duly adjusted in the books of accounts.
29. Work in process includes stock worth ₹3460.06 lac lying with third party.
30. The Accounts have been prepared as per Revised Schedule VI of the Companies Act, 1956 and the previous year's figures have been regrouped / rearranged / restated accordingly.



SCHEDULES FORMING PART OF THE ACCOUNTS (Contd.)

35. GENERAL NOTES ON ACCOUNTS:											
Additional information forming part of accounts for year ended March 31, 2014											
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	Quantity	Value	Quantity	Value	
Manufacturing Activities											
a : Main products											
1 Wire bar	MT	39400 (39400)	39400* (39400)	- (-)	- (-)	0.25 (0.25)	0.25 (0.25)	- (-)	- (-)	- (-)	- (-)
2 Wire rod	MT	60000 (60000)	60000 (60000)	14784 (20252)	276 (753)	1088.02 (2306.96)	877.47 (1088.02)	14826 (20729)	79857.36 (108517.49)	- (-)	- (-)
3 Cathode including Toll Smelted Cathode	MT	49500 (49500)	49500** (49500)	22825 (24210)	768 (703)	2493.33 (1606.60)	4640.66 (2493.33)	7386 (3783)	38886.75 (19595.89)	14834 (20362)	14834 (20362)
b : By products											
1 Gold	KG	264 (264)	698 (698)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
2 Silver	KG	4763 (4763)	9868 (9868)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
3 Nickel sulphate	MT	250 (250)	390 (390)	- (-)	6 (6)	4.78 (4.78)	4.78 (4.78)	- (-)	- (-)	- (-)	- (-)
4 Selenium	KG	10000 (10000)	14600 (14600)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
5 Sulphuric acid	MT	236000 (236000)	236000 (236000)	11372 (6304)	1845 (2469)	105.71 (133.68)	92.45 (105.71)	8990 (4819)	306.65 (276.17)	1891 (2109)	1891 (2109)



SCHEDULES FORMING PART OF THE ACCOUNTS (Contd.)

35. GENERAL NOTES ON ACCOUNTS : Additional information forming part of accounts for year ended March 31, 2014 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	Quantity	Value	Quantity	Value	
c. Allied and semi-Finished products											
1 Anode slime	MT	NA	-	29	6	1256.58	7	1250.58	28	2548.56	-
		(NA)	(-)	(29)	(7)	(1560.65)	(6)	(1256.58)	(30)	(5210.37)	-
2 Copper mould	MT	NA	-	-	52	90.04	52	90.04	-	-	-
		(NA)	(-)	(-)	(52)	(90.04)	(52)	(90.04)	(-)	(-)	(-)
3 Kyanite	MT	NA	-	-	13	0.08	13	0.08	-	-	-
		(NA)	(-)	(-)	(13)	(0.08)	(13)	(0.08)	(-)	(-)	(-)
4 Others	MT	NA	-	-	-	-	-	-	-	****39990.69	-
		(NA)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(13927.20)	(-)
GRAND TOTAL						***5038.79 (5703.04)		***6956.31 (5038.79)		161590.01 (147527.12)	

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.

*** Opening stock includes value of Wire Bar ₹0.25 Lac, Cathode ₹2493.33 Lac, Nickel Sulphate ₹4.78 Lac, Sulphuric Acid ₹105.71 Lac, Anode Slime ₹1256.58 Lac, Copper Mould ₹90.04 Lac and Kyanite ₹0.08 Lac which are shown in Work-in-Progress.

**** Closing stock includes value of Wire Bar ₹0.25 Lac, Cathode ₹4640.66 Lac, Nickel Sulphate ₹4.78 Lac, Sulphuric Acid ₹92.45 Lac, Anode Slime ₹1250.58 Lac, Copper Mould ₹90.04 Lac and Kyanite ₹0.08 Lac which are shown in Work-in-Progress.

***** Other Sales include Sale of Copper Concentrate of MCP origin Qty 3843.16 CMT valuing ₹16910.76 Lac, KCC origin Qty 3937.75 CMT valuing ₹15554.33 Lac and ICC origin Qty 580.03 CMT valuing ₹2295.31 Lac, Credit of Anode Slime received from tolling valuing ₹1856.63 Lac, Sale of Copper Sulphate of ₹412.79 Lac, Liberator Cathode of ₹235.80 Lac, Reverts of ₹2088.58 Lac, Anode Slag of ₹106.90 Lac, Pig Mould of ₹115.71 Lac, Granulated Slag of ₹95.18 Lac, Copper Ash & Residue of ₹66.62 Lac, Copper Dust of ₹153.19 Lac, Magnetic / Red Jam of ₹97.92 Lac & Others valuing ₹0.97 Lac.



SCHEDULES FORMING PART OF THE ACCOUNTS (Contd.)

35. GENERAL NOTES ON ACCOUNTS (Contd.)

Additional information forming part of accounts for year ended March 31, 2014

35.2 Raw materials consumed

	Quantity		Value	
	Year ended 2013-2014 MT	Year ended 2012-2013 MT	Year ended 2013-2014 ₹ in Lac	Year ended 2012-2013 ₹ in Lac
Concentrate own production	103371	111896	44349.05	55738.16
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	1.68	0.19	499.33	42.65
Indigenous	98.32	99.81	29171.42	22166.40
	<u>100.00</u>	<u>100.00</u>	<u>29670.75</u>	<u>22209.05</u>

35.4 C.I.F. value of imports

Raw Material	-	-
Components, spare parts and stores	388.24	73.87
Capital goods	126.43	-
	<u>514.67</u>	<u>73.87</u>



SCHEDULES FORMING PART OF THE ACCOUNTS (Contd.)

(₹ in Lac)

35.5 Expenditure in foreign currency

Travelling	25.92	21.35
Advertisement	-	-
Others	104.03	15.92
	<u>129.95</u>	<u>37.27</u>

<u>Year ended</u> <u>2013-2014</u> <u>(₹ in Lac)</u>	<u>Year ended</u> <u>2012-2013</u> <u>(₹ in Lac)</u>
--	--

35.6 Earning in foreign exchange

Exports of goods(FOB)	39397.54	8079.16
	<u>39397.54</u>	<u>8079.16</u>

35.7. Payment to Whole-time Directors

Salaries and allowances	148.41	146.95
Company's contribution to provident and other funds	9.39	8.19
Re-imbusement of medical expenses	0.51	0.72
Leave Encashment	5.12	24.14
Gratuity	-	-
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 accomodation as per terms of their appointment/Government guidelines and the charges are recovered at the rates prescribed by the Government.



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.

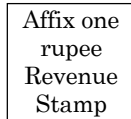
- Name:..... Address:
Email Id..... Signature..... of failing him.
- Name: Address:
Email Id: Signature..... of failing him.
- Name:..... Address:
Email Id: Signature:

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 47th Annual General Meeting of the Company, to be held on Friday, 19th September, 2014 at 11 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.....

Signed this..... day of 2014.



Signature of Shareholder

Note : This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than forty eight hours before the commencement of the meeting.



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

Attendance Slip

DP ID *	CLIENT ID *	FOLIO NO	NO OF SHARES HELD

I/We hereby record my /our presence at the 47th Annual General Meeting of the Company on Friday, the 19th, September, 2014 at 11AM at Tamra Bhavan, 1 Ashutosh Choudhury Avenue, Kolkata-700019

Name of the Member _____
Signature of the Member _____
Name of the Proxy _____
Signature of the Proxy _____

Notes:

- Kindly sign and hand over the Attendance Slip at the entrance of the meeting venue.
 - Members / Proxy holders are requested to bring their copy of the Annual report for reference at the meeting.
- (* Applicable for investors holding share(s) in electronic mode)





If undelivered please return to :

HINDUSTAN COPPER LIMITED

'Tamra Bhavan', I, Ashutosh Chowdhury Avenue, Kolkata 700 019

CIN : L27201WB1967GOI028825

Website : www.hindustancopper.com

Email : investors_cs@hindustancopper.com

Contact No. : (033) 2283 2226

Fax No. : (033) 2283 2676