



हिन्दुस्तान कॉपर लिमिटेड
Hindustan Copper Limited



The
Copper
Miner
to the
Nation

Annual Report 2014 – 15



Vision

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

Mission

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



HINDUSTAN COPPER LIMITED

(A Government of India Enterprise)

| Auditors | Contents | Page No. |
|---|---|----------|
| M/s. A. Kayes & Co., Kolkata | 1. Board of Directors | 2 |
| Bankers | 2. Notice to the Members | 3 |
| State Bank of India | 3. Report of the Board of Directors | 11 |
| State Bank of Bikaner and Jaipur | 4. Certificate on Corporate Governance | 45 |
| United Bank of India | 5. Business Responsibility Report | 46 |
| Indian Overseas Bank | 6. Comments of the Comptroller & Auditor General of India | 54 |
| Punjab National Bank | 7. Ten years at a glance | 55 |
| State Bank of Hyderabad | 8. Independent Auditors' Report | 56 |
| Registrar and Transfer Agent | 9. Balance Sheet | 66 |
| M/s. C B Management Services (P) Ltd. | 10. Statement of Profit & Loss | 67 |
| P-22 Bondel Road, Kolkata - 700 019 | 11. Cash Flow Statement | 68 |
| Tel No. : (033) 2280 6692, 4011 6700/18/23/28 | 12. Significant Accounting Policies | 70 |
| Fax No. : (033) 4011 6739 | 13. Notes forming part of the Balance Sheet | 74 |
| E-mail : rta@cbmsl.com | 14. Notes forming part of the Statement of Profit & Loss | 88 |
| Registered Office | 15. General Notes on Accounts | 93 |
| "Tamara Bhavan" | | |
| 1 Ashutosh Chowdhury Avenue | | |
| Kolkata - 700 019, India | | |
| Tel No. : (033) 2283 2226, 2283 2529 | | |
| Fax No. : (033) 2283 2478, 2283 2640 | | |
| E-mail : investors_cs@hindustancopper.com | | |
| CIN : L27201WB1967GOI028825 | | |
| Website : www.hindustancopper.com | | |

Important Communication to Members

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

Forty Eighth Annual General Meeting on Monday, August 17, 2015 at 10.30 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 S. Nanda
Director (Operation)



Shri V. V. Venugopal Rao
Director (Finance)



Ms. Bulbul Sen
Independent Director



Shri U. D. Choubey
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 48th Annual General Meeting of the members of Hindustan Copper Limited will be held on Monday, the 17th August, 2015 at 10.30 am at the registered office of the Company at 'Tamra Bhavan' 1 Ashutosh Chowdhury Avenue, Kolkata-700 019 (opposite to Ice Skating Hall / Modern High School for Girls) to transact the following business :-

Ordinary Business

- 1) To receive, consider and adopt the audited Financial Statement for the year ended 31st March, 2015 together with the Reports of the Directors, Auditors and C&AG.
- 2) To declare dividend on equity shares.
- 3) To appoint a director in place of Shri Subhendra Nanda (DIN 06608867), who retires by rotation and is eligible for reappointment.
- 4) To appoint a director in place of Shri V V Venugopal Rao (DIN 02950920) who retires by rotation and is eligible for reappointment.
- 5) To fix 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), reappointment of Shri Anupam Anand (DIN 02752767) as Director (Personnel) of the Company upon extension of his tenure for a further period of 5 years from 5.8.2014 to 4.8.2019 or until further orders, whichever is earlier, by the Ministry of Mines vide letter No 10(3)/2008-Met.III (Vol.III) dated 3.12.2014 on the existing terms and conditions of appointment and remuneration conveyed by the Ministry of Mines vide letter No10/(4)/2010-Met.III dated 5.8.2010 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 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 Rs.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 by the 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 2015-16 be and is hereby ratified and confirmed."

By order of the Board

C S Singhi
GM & Co Secretary

Date: 17th July, 2015



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 11th August, 2015 to 17th August, 2015 (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 10th August, 2015.
- 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) Members are requested to provide their 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 their Bank account. In case of non availability of MICR No. and IFSC Code, Dividend Warrant will be sent after mandatorily printing the 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) 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, members 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.

Members 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

Members 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.



- 9) The members, 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 prevents incidence of loss of physical share certificate.
- 10) 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.
- 11) Members are requested to:-
- produce the enclosed Attendance Slip duly filled & signed as per specimen signature recorded with the Company / Depository Participants for admission to the meeting venue.
 - bring their Client ID and DP ID numbers for easy identification of attendance at the meeting in respect of shares held in dematerialized form.
 - bring their copy of Annual Report to the meeting as extra copies shall not be provided.
 - quote their Folio / Client ID & DP ID Nos in all correspondence.
 - note that due to security reasons, brief case, eatables and other belongings are not allowed inside the meeting venue.
 - note that no gifts, gifts coupons, or cash in lieu of gifts shall be distributed to members at or in connection with the meeting.**
- 12) **Voting through electronic means:**
- In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 and Clause 35B of the Listing Agreement, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the 48th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM (remote e-voting) will be provided by National Securities Depository Limited (NSDL).
 - A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date of 10th August, 2015 only shall be entitled to avail the facility of remote e-voting or voting at the AGM. A person who is not a member as on cut-off date should treat this Notice for information purposes only.
 - The facility for voting through ballot process shall be made available at the AGM and the members attending the AGM who have not cast their vote through remote e-voting shall be able to exercise their rights at the AGM. (Note: Ballot process may be carried out by distributing ballot / poll slips or by making arrangement for voting through computer or secure electronic systems as may be decided by the Company)
 - A member who has cast his vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to vote again and his vote, if any, cast at the AGM shall be treated as invalid
 - The remote e-voting period commences on 14th August, 2015 (9:00 am) and ends on 16th August, 2015 (5:00 pm). During this period members of the Company, holding shares either in physical form or in dematerialized form as on the cut-off date of 10th August, 2015, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

The process and manner for remote e-voting are as under:

- A. Members holding shares in dematerialized form and whose e-mail addresses are registered with the Company / Depository Participants will receive an email from NSDL informing the User-ID and Password:



- (i) Open email and open file viz; "Hindustan Copper remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password for remote e-voting. Please note that the password is an initial password.
 - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
 - (iii) Click on Shareholder - Login
 - (iv) Put user ID and password as initial password noted in step (i) above. Click Login.
 - (v) Password change menu appears. Change the password with new password of your choice with minimum 8 digits/characters or combination thereof. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
 - (vii) Select "EVEN" (Remote E-Voting Event Number) of Hindustan Copper Limited.
 - (viii) Now you are ready for remote e-voting as Cast Vote page opens.
 - (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
 - (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
 - (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
 - (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send 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 through e-mail to navin.kothari@yahoo.com with a copy marked to evoting@nsdl.co.in
- B. Members holding shares dematerialized form and whose e-mail addresses are not registered with the Company / Depository Participants, members holding shares in physical form as well as members who have requested for a physical copy of the Notice and Annual Report, the following instructions may be noted:
- (i) Initial password is provided as below/at the bottom of the Attendance Slip for the AGM:

| | | |
|---|-----------------------|------------------------|
| <u>EVEN (Remote e-voting Event Number)</u> | <u>USER ID</u> | <u>PASSWORD</u> |
|---|-----------------------|------------------------|
 - (ii) Please follow all steps from Sl. No. (i) to Sl. No. (xii) of A above, to cast vote.
- VI. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.
- VII. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote.
- VIII. You can also update your mobile number and e-mail id in the user profile details of the folio, which may be used for sending future communication(s).
- IX. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 10th August, 2015.
- X. Any person, who acquires shares of the Company and become member of the Company after dispatch of the AGM Notice and holding shares as of the cut-off date i.e. 10th August, 2015, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or RTA.
- XI. Mr. Navin Kothari, (Membership No. FCS 5935 and CP No 3725) of M/s N K & Associates, Practicing Company Secretary has been appointed as the Scrutinizer for providing facility to the members of the Company to scrutinize the remote e-voting and voting process at the AGM in a fair and transparent manner.
- XII. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow



voting with the assistance of Scrutinizer for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.

- XIII. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or any other Director authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- XIV. The Result of the voting with details of number of votes cast for and against the resolutions, invalid votes and whether the resolutions have been carried or not shall be displayed on the Notice Board of the Company at its registered and corporate office immediately after the declaration of result by the Chairman or a Director authorized by him in writing. Further, the results of the voting along with the Scrutinizer's Report shall also be placed on the Company's website www.hindustancopper.com and on the website of NSDL. The results shall also be immediately forwarded to the stock exchanges.
- XV. Name, designation, address, e-mail ID and phone number of the person responsible to address the grievances connected with the e-voting is given:
- Ms. Aparna Mukherjee
Assistant Manager
Hindustan Copper Ltd
1 Ashoutosh Chowdhury Avenue, Kolkata - 700019
E-mail: aparna_m@hindustancopper.com
Phone No: (033) 2283-2226
- 13) Relevant documents referred to in the accompanying notice and 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.
- 14) Route Map indicating venue of the AGM is given at the end of the Notice.
- 15) Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, in respect of Item no 6 and 7 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

Shri Anupam Anand was 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. His appointment was approved by the Board on 22.8.2009 and subsequently regularized in the AGM held on 30.9.2009. The Ministry of Mines vide letter No 10(3)/2008-Met.III (Vol.III) dated 3.12.2014 had approved extension of his tenure as Director (Personnel) for a further period of 5 years from 5.8.2014 to 4.8.2019 or until further orders, whichever is earlier. Detailed terms and conditions of appointment including remuneration payable to Shri Anupam Anand, Director (Personnel) have been issued by the Ministry of Mines, Government of India vide their letter No 10/(4)/2010-Met.III dated 5.8.2010. His extension of tenure was approved by the Board on 4.12.2014. It is now proposed to regularize his reappointment at the ensuing 48th AGM of the Company in order to comply with the relevant provisions of the Companies Act, 2013.

Shri Anupam Anand, 55 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 Hindustan Copper Limited (HCL). The Board considers that his continued association would be of immense benefit to the Company and recommends his reappointment as Director (Personnel) of the Company. None of the Directors, Manager and other Key Managerial Personnel of the Company is related to Shri Anand. Shri Anand attended all six Board meetings of the HCL held during 2014-15.

Except Shri Anupam Anand, 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

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 2015-16 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.7 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 7.

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

Shri Subhendra Nanda

Shri Subhendra Nanda had been appointed as Director (Operations) of the Company in terms of Ministry of Mines' order No. 10(5)/2011-Met.III (Vol.II) dated 30.4.2013 and he joined with effect from 6.5.2013. His appointment was approved by the Board on 23.5.2013 and subsequently regularized in the AGM held on 20.9.2013.



Shri Subhendra Nanda, 59 years of age, is B.Tech from IIT, Kanpur, M.Sc (Engg.) and ADIM. Shri Nanda had worked in various capacities in L&T at their Iron & Steel Foundry from 1977 to 1986. He joined Nalco in 1986 when the Company was in its commissioning stage. In Nalco, Shri Nanda held key managerial positions in Smelter, Operations, Projects & R&D functions. Before joining HCL, Shri Nanda was General Manager (Projects) at Nalco Smelter Division.

Shri Subhendra Nanda does not hold directorship in other companies. He also does not hold any shares in HCL. None of the Directors, Manager and other Key Managerial Personnel of the Company is related to Shri Nanda. Shri Nanda attended all six Board meetings of the Company held during 2014-15.

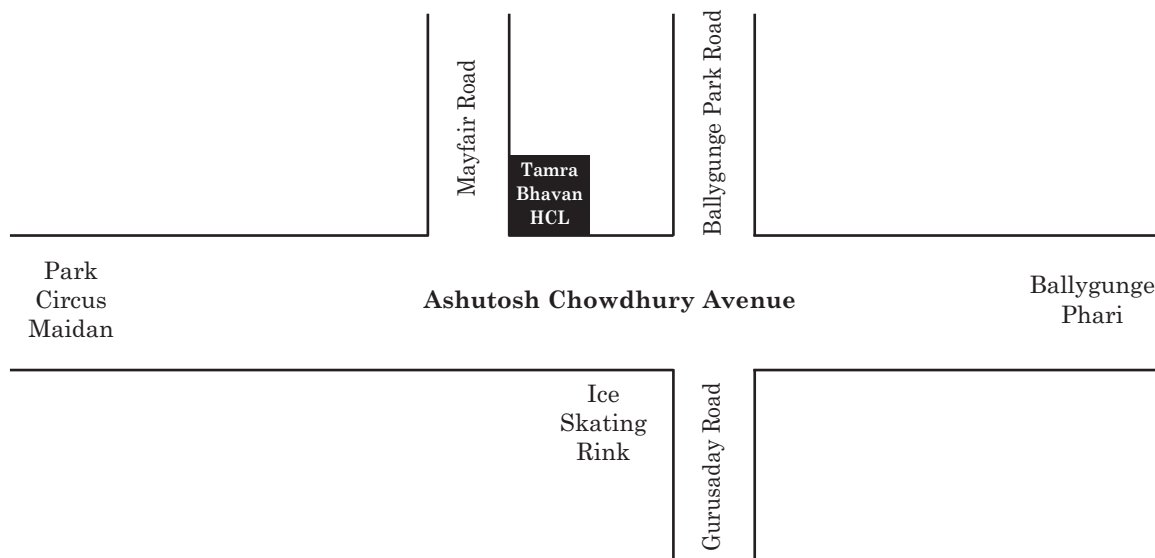
Shri V V Venugopal Rao

Shri V V Venugopal Rao had 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. His appointment was approved by the Board on 13.11.2013 and subsequently regularized in the AGM held on 19.9.2014.

Shri V V Venugopal Rao, 52 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. None of the Directors, Manager and other Key Managerial Personnel of the Company is related to Shri Rao. Shri Rao attended all 6 Board meetings of the Company held during 2014-15.

ROUTE MAP FOR AGM VENUE





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-seventh Annual Report of the Company together with the audited statement of accounts and Auditors' Report thereon for the year ended 31 March, 2015.

1. Financial Summary or highlights

The comparative working results for the FY 2014-15 vis-à-vis FY 2013-14 are as under:

(₹ in Crore)

| | | 2014-15 | 2013-14 |
|-----|---|---------|---------|
| (a) | Turnover | 1127 | 1616 |
| (b) | Profit before depreciation, interest & tax | 101 | 448 |
| (c) | Less : Depreciation | 20 | 15 |
| (d) | Less : Interest & Finance Charges | 1 | 2 |
| (e) | Profit before tax | 80 | 431 |
| (f) | Less : Provision for Taxes(including deferred tax) | 12 | 145 |
| (g) | Profit after tax | 68 | 286 |
| (h) | Add:/(less) Statutory appropriation | 0 | 0 |
| (i) | Distributable Profit | 68 | 286 |
| (j) | Add: Balance brought forward from the previous year | 1059 | 903 |
| (k) | Balance available for appropriation | 1127 | 1189 |
| | i) Dividend | 14 | 93 |
| | ii) Corporate Dividend Tax | 3 | 16 |
| | iii) Amount transferred to General Reserve | 0 | 22 |
| | iv) Depreciation charged from Retained Earning | 18 | 0 |
| (l) | Balance in P&L account to be carried forward | 1092 | 1059 |
| (m) | Earnings per Share(Rs) | 0.73 | 3.10 |

During financial year (FY) 2014-15 HCL posted a Profit before tax (PBT) of ₹ 80 Crore as against ₹431 Crore clocked during the previous year registering a decline of around 81.44%. The turnover of the Company was ₹1127.49 Crore during FY 2014-15 as against Rs.1615.90 Crore during FY 2013-14 registering a decrease of around 30.22%. The total expenditure of the Company declined by about 15.22% by posting a number of ₹1016.36 Crore as against ₹1198.75 Crore year-on-year. However the Profit after tax (PAT) during FY 2014-15 is ₹ 67.60 Crore as against ₹ 286.42 Crore in 2013-14.

2. Dividend

The Board of Directors of your Company have recommended payment of dividend @ 3% on equity, i.e., Re 0.15 per share of ₹ 5/- face value for the year 2014-15, for approval of shareholders in the Annual General Meeting. The outgo on this account will be ₹13.88 Crore for dividend and ₹ 2.83 Crore towards tax on dividend, aggregating to a total outgo of ₹16.71 Crore.

3. Material Changes if any

The Company has entered into an agreement to acquire plant & machinery including leasehold land of Jhagadia Copper Limited (JCL)(in liquidation) through Asset Reconstruction Company (India) Ltd. (ARCIL) at a value of ₹ 210 Crore through auction process. The Company has paid an amount of ₹ 105 Crore up to



31st March, 2015 and the balance amount of ₹105 Crore has been paid in April, 2015. The JCL Plant has facilities for manufacture of 50,000 tonnes per annum of LME 'A' grade Copper Cathodes by secondary smelting process.

4. Change in the nature of business:

There has been no change in the nature of Business of the Company

5. Physical performance

The comparative physical performance of production and sales for the year 2014-15 vis-a-vis 2013-14 is as under:

| Particulars | 2014-15 | 2013-14 |
|-------------------------------------|---------|---------|
| Ore ('000 Tonnes) | 3,505 | 3,827 |
| Metal in concentrate (MIC) (Tonnes) | 24,878 | 32,276 |
| Cathode (Tonnes) | 21,205 | 22,825 |
| CC Wire Rod (Tonnes) | 19,576 | 22,976 |
| Sales (Tonnes): | | |
| CCRod | 16,609 | 14,826 |
| Cathode | 5,032 | 7,386 |
| MIC | — | 8,361 |
| Total | 21,641 | 30,573 |

Factor Affecting Performance

During 2014-15, adverse performance of the Company can be attributed to the following:

- Steep fall in London Metal Exchange prices of Copper, prices have fallen by 20% by the last quarter of the financial year.
- 21% fall in copper ore grade of Malanjkhand mine which contributes around 65% of the ore production to the Company. Also, submerging of lower benches for a longer period due to unseasonal rainfall affected by cyclonic storm.
- Stoppage of Surda Mine (Jharkhand) operation from 8.9.2014 due to State Govt. orders pursuant to Hon'ble Supreme Court judgment on operation of mines on deemed renewal basis.
- Extreme water shortage at Khetri Copper Complex (Rajasthan)

Remedial Action

To improve the physical production, the Company has redesigned the Malanjkhand open pit mine in consultation with IIT, Khagarpur. Jharkhand Government has extended the Surda Mine lease pursuant to the MMDR Amendment Act 2015 and production from the mine is likely to commence after the mobilization of resources is completed by the Contractor. Dewatering system at Malanjkhand mine has been strengthened to take care of excessive rainfall during the year. Necessary steps have been initiated to enhance excavation at MCP open pit mine to expose more ore face which will improve the copper ore grade.

To argue the water availability at Khetri in near term, deepening of four existing wells at Chaonra has been taken up to augment additional 1500 Cu. M / day water supply. As a long term measure, proposal for providing surface water @ 5000 Cu. M / day from Indira Gandhi canal was sent to Govt. of Rajasthan is being actively pursued.

6. 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 mine-wise scheme and status is given below:

i. Malanjhand Copper Project

It is proposed to expand the production capacity of Malanjhand mine from present 2 Mtpa to 5 Mtpa by developing an underground mine below the existing open cast mine at an estimated cost of Rs.1856.74 Crore.. All the approval are in place, Environment Clearance (EC and National Board for Wild Life (NBWL) has been obtained in 2014-15. The Foundation stone laying of the project had been held on 12.4.2015.

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:

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

Khetri mine: The Engineering Procurement & Construction (EPC) agency for executing the Khetri mine expansion project had been appointed on 15.07.2011 and the work at site started from 16.9.2011.

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.

Operation of Surda mine has been stopped since 08.09.2014 as per directives from Govt. of Jharkhand. TWP awaited from ED, Wasteland Development Board.

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. Mine wise 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. Environmental clearance from MoEF obtained on 20.01.2015, stage -I forest clearance obtained, stage -II forest clearance is awaited.

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. Environmental clearance of Rakha mining lease obtained on 01.08.2014, stage -I forest clearance obtained, stage -II forest clearance is awaited.

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. Environmental clearance from MoEF obtained on 20.01.2015, stage -I forest clearance obtained, stage -II forest clearance is awaited.

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

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

8. Management Discussion and Analysis

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



9. Awards and Accolades

- i. During the year 2014-15, the Company received the Tiritiya Puraskar (Third Prize) for successful implementation of Hindi as the official language from Town Official Language
- ii. Committee (PSUs), Kolkata held on 8th September, 2014. The Hindi edition of House Journal "Tamralipi" of HCL was awarded First Prize by Town Official Language Committee (PSUs), Kolkata under "Rajbhasha Award Scheme-2013-14" on 8th September, 2014.
- iii. The Quality Circle team 'Sanshodhan' from Khetri Copper Complex won in Silver Category and two other teams, i.e., 'Adarsh' from Khetri Copper Complex and 'Udayan' from Taloja Copper Project won in Bronze Category during the Chapter Convention on Quality Concepts (CCQC), 2014 on 23.09.2014 at Kolkata.
- iv. HCL was awarded as the "Organisation with Innovative HR Practices" at the Asia Pacific HRM Congress held during 2011-12 in Bengaluru.
- v. HCL has been conferred the SKOCH Order of Merit for CSR project namely ' Systematic Rice Intensification' and has been selected as amongst the best projects in the Country in November, 2014
- vi. HCL was endorsed the '50 Most Caring Companies of India' by the World CSR Day.
- vii. HCL was awarded the 'The IME Journal Mining Innovation Award' in the field of 'Mining Technology & Ore Recovery with effective Environmental Management, & CSR Initiatives for Sustainable Development on 21st June, 2014 in New Delhi.

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

During the year from 01/04/2014 to 31/03/2015: NIL

11. Deposits

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

12. Policy on Related Party Transactions (RPTs):

Policy on RPTs and dealing with RPTs has been formulated and put up at the Company's website at www.hindustancopper.com.

13. Particulars of Contracts or Arrangements with Related Parties

The Company has not entered into any contracts or arrangements with related parties referred to in section 188(1) of the Companies Act, 2013.

14. Establishment of Vigil mechanism:

The Company has in place a Whistle Blower Policy which provide adequate safeguards against victimization of employees / directors who avail of the mechanism and also provide for direct access to the chairman of the Audit Committee in exceptional cases. The Policy has been posted at the Company's website at www.hindustancopper.com.

15. Risk Management Policy

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

16. Internal Financial Controls

The Company has laid down the internal financial controls with reference to financial statements of the Company, to be followed by the Company, detailing the policies and procedures to be followed. The financial statements are passing through the processes of Internal and External (Tax, Cost and Statutory) Audits, before being approved at the meeting of the Board of Directors of the Company.



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

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

18. Safety

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

Malanjkhand open cast mine had won the following safety performance award on 14.12.2014 in large opencast mine category under the aegis of DGMS (Nagpur region I&II):

- 1st Prize in Open cast working
- 2nd Prize on Use of explosives
- 2nd Prize on overall best performance
- 3rd Prize in HEMM.

Seven individual prizes & special prize on first aid were won by Mine rescue team in All India Rescue competition 2014-15 held at Ramgarh, Jharkhand.

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

Two first prize, two second prize and three 3rd prizes were won by individuals in trade test for mines workmen and the prizes were distributed at Kotputli, Rajasthan.

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

19. Corporate Social Responsibility and Sustainability (CSR&S)

The CSR&S activities in the prescribed format as per the Companies (Corporate Social Responsibility Policy) Rules, 2014 are given in Annexure-III.

20. Vigilance Activities

The focus has been on preventive vigilance through institutional mechanism so as to make the preventive vigilance effective. A large number of suggestions for system improvement have been given by the Vigilance Department to the Management, primarily with the aim of making the systems more transparent. Vigilance Department is also making efforts to sensitize the employees about the need to exercise vigilance by one and all. Special seminars are being conducted both at the Corporate Office, as well as, various Units to create vigilance awareness in true spirit.

21. Official Language Implementation

During the year, HCL made constant endeavours 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, 2014. 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.

22. 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 Rs.10 crores for Works contract, in line with the MoU signed by HCL with TII.

23. Corporate Governance

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

24. Extract of Annual Return:

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

25. Number of meetings of the Board:

During 2014-15, six meetings of the Board were held on 24.5.2014, 13.8.2014, 13.11.2014, 4.12.2014, 5.2.2015 and 3.3.2015.

26. 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, 2015 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, 2015 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.

27. Declaration by Independent Directors:

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

28. Familiarization Programme for Independent directors as per Clause 49

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

29. 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, 2015.

30. Directors / key managerial Personnel

Shri Avijit Ghosh ceased to be Director (Mining) from the close of working hours on 31.12.2014 consequent upon his appointment as CMD, Heavy Engineering Corporation Limited.

S/Shri Gyan P Joshi, Puneesh Kumar Kapoor and Arvind Sahay ceased to be part-time non-official (Independent) Directors on completion of their tenure on 6.2.2015.

Shri Virendra Kumar Srivastava resigned from the post of part-time non-official (Independent) Director due to personal reason from 13.4.2015.

The Board places on record its appreciation for the valuable services rendered and contribution made by S/Shri Avijit Ghosh, Gyan P Joshi, Puneesh Kumar Kapoor, Arvind Sahay and Virendra Kumar Srivastava during their tenure on the Board.

31. Secretarial Audit Report:

M/s N K Associates, Practicing Company Secretaries, has been appointed as Secretarial Auditor for FY 2014-15. Report given by the Secretarial Auditor pursuant to Section 204 (1) of the Companies Act, 2013 and Management reply on the comments / observations by the Secretarial Auditor are annexed to this report.

32. Auditors

M/s.A Kayes & Co, Kolkata was appointed as statutory auditors to audit the accounts of the Company for the year 2014-15.

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 2014-15.

33. Comments of C&AG

The comments of C&AG under the Companies Act on the accounts of the Company for the year ended 31 March, 2015 are annexed to this report.

34. Particulars of Employees

The Company did not have any employee in the category specified in Rule 5(2) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014.

35. 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

Place: New Delhi
Date: 28.5.2015

K D Diwan
Chairman-cum-Managing Director



REPORT ON MANGEMENT DISCUSSION AND ANALYSIS

I. Industry Structure and Development

Global Business Scenario

As per International Copper Study Group (ICSG), the world mine production (copper content) in the year 2014 grew by 2.3% to 18.7 million tonnes (Mt) compared to 9% in 2013. Copper concentrate contributes 79% of the world mine production and balance 21% comes from solvent extraction route. Performance of Eight major mines which accounts for 33% of the world production declined by 4.5%. Production from major producing countries viz, Chile, Peru, Indonesia Zambia were affected due to operational constraints and delays in start-up of new projects expected for 2014. It is forecasted that in 2015, world mine production is expected to increase by around 5% in both 2015 and 2016 to 19.5 Mt (million tonnes) and 20.5 Mt respectively.

World refined copper production has increased by around 7 % to 22.4 Mt in 2014 compared with refined production in 2013. Excluding China, world refined production increased by 3%. World refined copper production in 2015 is expected to increase by around 4% to 23.4 Mt mainly due to capacity expansions of refinery plants in China. Primary refined production (excluding SX-EW) is expected to grow by 6% this year benefiting from increased availability of concentrate while secondary production is forecast to decline by 2% on continued tightness in the scrap market.

World demand of refined copper is estimated to have increased by 7% in 2014 to 22.9 Mt following an increase of 4.5% in 2013 ICSG expects that world refined copper demand in 2015 is expected to increase by only 0.6% mainly due of lower demand growth in China at around 1% and flat demand growth from rest of the world. Based on the current assumptions, the market is expected to return to surplus in 2015 by around 3.6 lakh tonne after five consecutive years of deficits. A number of factors create significant uncertainty in the demand forecast, and that the global market balances could vary from those projected currently.

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 Tuticorn 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 2014-15, the copper ore production in India was 3.5 million tonnes which is 8% lower compared to 2013-14. Metal in concentrate production was 24,879 tonnes which is lower by 23% over 2013-14. Refined copper production during FY 2014-15 was 7.6 lakh tonnes, as compared to 6.50 lakh tonnes in FY 2013-14. It is estimated that during FY 2014-15, the consumption of refined was around 5.80 lakh tonnes.

As of now, there is a high level of deficit in the mining capacity and surplus in the refining capacity. Domestic production of concentrate accounts for only 4% of the total requirement. Consequently, India imported around 1,908,888 tonnes of copper concentrate (about 572,700 tonnes of metal) in FY 2014-15. However, India is self sufficient in refined copper production and has emerged as net exporter of refined copper. There is, however, also a cross trading in the import / export of refined copper, and during the FY 2014 -15, around 350,000 tones of refined copper was exported as compared to 255,891 tonnes in 2013-14.

II. Outlook, Opportunities and Threats:

The production of refined in the country in coming years is expected to remain robust. The production is



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

expected to increase further with acquisition of Jhagadia Copper Ltd by Hindustan Copper in 2015. The Jhagadia plant which was closed since 2009, operates on secondary route and has the capacity to produce 50,000 tonnes of refined copper annually.

Copper consumption growth rate is likely to increase around 6% to 7% due to improvement in growth rate of manufacturing, housing & infrastructure & Power sectors. The "Make in India" programme of Govt. of India which is expected to drive manufacturing growth will increase the demand of copper significantly. The key growth drivers in the Country are the continuing demand from power and construction sectors. Electrical & power sectors account for nearly one-third (~35%) of the refined copper consumption, followed by 11% by the transport (auto and railways) industry, 8 % each by construction & consumer durables industry. The growing environment consciousness and an emphasis on using more energy-efficient appliances would also help to protect demand for copper in India.

Price differential is the main driver for copper substitution. At current price, copper is at significant risk of substitution in roofing, plumbing tubes, refrigeration, air-conditioning. Owing to substitution, copper demand has reduced in the last few years. One of the most prevalent substitutes, aluminum, has largely replaced copper in automotive precision tubing to reduce vehicle weight. However, around 50% of copper demand cannot be substituted in applications highly reliant on copper's conductivity, such as building wire, power-generation infrastructure and electrical connectors.

III. Segment-wise or product-wise performance

The Company is operating in single Copper manufacturing segment. The comparative physical performance of production and sales for the year 2014-15 vis-a-vis 2013-14 is as under:

| Particulars | 2014-15 | 2013-14 |
|-------------------------------------|---------|---------|
| Ore ('000 Tonnes) | 3,505 | 3,827 |
| Metal in concentrate (MIC) (Tonnes) | 24,878 | 32,276 |
| Cathode (Tonnes) | 21,205 | 22,825 |
| CC Wire Rod (Tonnes) | 19,576 | 22,976 |
| Sales (Tonnes): | | |
| CCRod | 16,609 | 14,826 |
| Cathode | 5,032 | 7,386 |
| MIC | — | 8,361 |
| Total | 21,641 | 30,573 |

IV. Risks and concerns

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

V. Internal control systems and their adequacy

The Company has internal control systems which is commensurate with the size and operations of the Company.



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

VI. Discussion on financial performance in respect to operational performance

The financial performance for FY 2014-15 vis-à-vis FY 2013-14 is summarized below:

(₹ in Crore)

| Particulars | 2014-15 | 2013-14 |
|--|---------|---------|
| Sales | 1127.49 | 1615.90 |
| Net of Extraordinary Income/(Expenses) | 0.00 | 0.00 |
| Value of Production | 1219.47 | 1765.57 |
| Cost of production excluding depreciation, amortization and Finance Cost & Prior Period Adjustment (Net) | 1024.14 | 1165.82 |
| Profit before depreciation, amortization and Finance Cost & Prior Period Adjustment(Net) | 195.33 | 599.75 |
| Depreciation, Amortisation | 112.85 | 174.14 |
| Finance Cost | 0.68 | 2.32 |
| Prior Period Adjustments(Net) | 1.35 | (7.36) |
| Profit/ (Loss) Before Tax | 80.45 | 430.65 |
| Provision for taxation - Current | 31.63 | 144.58 |
| - Deferred | (18.78) | (0.35) |
| Profit/ (Loss) After Tax | 67.60 | 286.42 |

Capital Expenditure

During the year, the expenditure on account of Replacements & Renewals (R&R) of plant & machinery, mine expansion and mine development stood at Rs.399.03 crore which was entirely funded through the internal resources of the Company and no Government support for capital expenditure was asked for.

Borrowings

During the year, your Company had no short term and long term borrowings in its books as it is a debt free company.

Contribution to Exchequer

During the FY 2014-15, the Company contributed a sum of ₹284.68 crore to the exchequer by way of duties, taxes and royalties, as against ₹380.29 crore in 2013-14, as detailed below:

| Particulars | ₹ in crore | |
|------------------|------------|---------|
| | 2014-15 | 2013-14 |
| Excise Duty | 73.41 | 80.93 |
| Customs Duty | 0.16 | 0.06 |
| Export Tax | — | 0.09 |
| Sales Tax | 44.66 | 46.49 |
| Royalty and Cess | 54.15 | 62.82 |
| Income Tax | 92.68 | 171.68 |
| Others | 19.62 | 18.24 |
| Total : | 284.68 | 380.31 |



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

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

Manpower as on 31 March, 2015

The manpower of Hindustan Copper Limited as on 31 March, 2015 was 3676 as detailed below:

| Group | Total | SC | ST | Ex-S/Men | PH | Land Displaced Person | Minorities | OBC |
|-------|-------|-----|-----|----------|----|-----------------------|------------|-----|
| A | 588 | 83 | 21 | 2 | 1 | 0 | 22 | 60 |
| B | 73 | 11 | 6 | 1 | 0 | 0 | 3 | 17 |
| C | 2316 | 373 | 379 | 28 | 22 | 221 | 167 | 277 |
| D | 699 | 167 | 88 | 1 | 13 | 110 | 31 | 25 |
| Total | 3676 | 634 | 494 | 32 | 36 | 331 | 223 | 379 |

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 3676 as on 31 March, 2015 is 17.25%, 13.44 % and 10.31 % respectively.

Human Resource Development

Based on identified needs, Training and Development at all levels of employees is given due priority by the Company to increase employee effectiveness and productivity. The Company selectively nominated employees for specialized training Programmes / Workshops / Seminars / Conferences organized by reputed professional organizations and Institutes. In FY 2014-15, against a training target of 7500 mandays, 8126 mandays of training was achieved.

Employment of Women

The Group wise strength of female employees as on 31 March 2015 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 | 588 | 41 | 6.90 |
| B | 73 | 1 | 1.36 |
| C | 2316 | 70 | 3.02 |
| D | 699 | 119 | 17.02 |
| Total | 3676 | 230 | 6.25 |



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

Communal Harmony and National Integration

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

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

In pursuance to the judgment of the Supreme Court, HCL has set up Committees for the Prevention of Sexual Harassment of Women at work place in all the Units/Offices of the Company. 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 harassment amongst employees on the basis of gender came to light.

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, 2015 is as under.

| Group | Number of physically challenged persons |
|-------|---|
| A | 1 |
| B | 0 |
| C | 22 |
| D | 13 |
| Total | 36 |

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

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

Ramp: Ramps have been constructed at Hospital, Works and General Office for Person with Disability (PWD) so as to enable easier access to elevated areas in buildings and for their mobility with ease.

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



ANNEXURE-II TO THE DIRECTORS' REPORT

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

(A) Conservation of energy-

- (i) The steps taken or impact on conservation of energy:
- High wattage conventional lights were replaced by low power consuming LED lights
 - Old filters were replaced with energy efficient modern ceramic filters
 - Six high capacity transformer stopped and de-energized to save power
 - VFDs were installed in casting wheels and crane etc
 - Low pressure burner in place of high pressure burner was installed in Flash furnace.
- (ii) The steps taken by the company for utilizing alternate sources of energy:
- Electrical water heaters were replaced by solar water heaters
 - Study on solar power options at various locations throughout HCL has been completed and final report received. Implementation proposal is in pipeline
- (iii) The capital investment on energy conservation equipments: ₹187.94 lakhs

(B) Technology absorption-

- (i) The efforts made towards technology absorption:
- Recovery of valuable metals from Copper ore tailing - installation of a pilot plant at KCC to assess the project viability is in pipeline.
 - Pilot scale study to recover Nickel salts from the spent electrolyte of ICC Refinery plant completed
 - Bench scale study has been initiated to extract copper from concentrate by hydrometallurgical route.
 - Expression of Interest was invited to identify new technology to recover copper, acid and nickel from the spent electrolyte of ICC Refinery
- (ii) The benefits derived like product improvement, cost reduction, product development or import substitution:
- Efforts made towards technology absorption will result into development of new products
- (iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year-
- (a) The details of technology imported- Nil
- (b) The year of import- NA
- (c) Whether the technology been fully absorbed- NA
- (d) If not fully absorbed, areas where absorption has not taken place and the reasons thereof- NA
- (iv) The expenditure incurred on Research and Development - ₹ 285 Lakhs which are booked under natural heads of accounts

(C) Foreign exchange earnings and Outgo-

Earnings in foreign exchange

During the FY 2014-15, the Company earned foreign exchanges of ₹ 20.41 crore through export of anode slime and copper reverts as against ₹393.98 crore earned through export of anode slime, copper reverts and Copper concentrate during FY 2013-14.

Expenditure in foreign currency

During the FY 2014-15, the Company spent foreign currency to the tune of ₹6.75 crore towards raw materials, stores & spares, capital goods, components, traveling, advertisement and others etc. as compared to ₹11.44 crore in FY 2013-14.



ANNUAL REPORT ON CSR ACTIVITIES

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

Policy Statement

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

Organization setup

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

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

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

Scope of activities

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

Geographical Span

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

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

Planning

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

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



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

Implementation methodology

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

Web Link to CSR policy and projects or programs

Annual Report on CSR Activities is also available at the website of Company at www.hindustancopper.com

2. Composition of the CSR Committee:

- i) Dr. U D Choubey, Independent Director, Chairman
- ii) Shri A K Singh, Independent Director, Member
- iii) Shri Anupam Anand, Director (Personnel), Member
- iv) Shri V V Venugopal Rao, Director (Finance), Member
- v) Shri C S Singhi, GM & Co Secretary, Secretary

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

₹ 321.84 crores

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

₹ 6.44 crores

5. Details of CSR spent during FY 2014-15:

- (a) Total amount to be spent for FY 2014-15 - ₹12.51 Crores
(Includes unspent CSR amount of ₹6.07 Crores of previous years)
- (b) Amount unspent, if any - ₹5.25 Crores
- (c) Manner in which the amount spent during the FY 2014-15 is detailed below.



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

| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) |
|-------|--|--|---|---|--|---|---|
| S. No | CSR project or activity identified | Sector in which the Project is covered | Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken | Amount outlay (budget) project or programs-wise | Amount spent on Projects or programs Sub-heads (1) Direct expenditure on projects or programs. (2) Overheads | Cumulative expenditure up to the reporting period | Amount spent: Direct or through implementing agency |
| 1 | Drinking Water, Health & Sanitation | Eradicating hunger poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water | Dist.: Purvi SinghBhum, Jharkhand | 121.4 | 97.2 | 97.2 | M/s Parivesh, direct |
| | | | Dist. - Balaghat (MP) | 204.71 | 34.51 | 34.51 | Direct, IIW M |
| | | | Dist. - Jhunjhunu (Raj) | 116.27 | 96.03 | 96.03 | M/s GVT |
| 2 | Education, Vocational skill & Livelihood | Promoting education, including special education and employment enhancing vocational skills especially among children, women and elderly and the differently abled and livelihood enhancement projects | Dist.: Purvi SinghBhum, Jharkhand | 124.78 | 42.22 | 42.22 | M/s Parivesh, Civil Contractor |
| | | | Dist. - Balaghat (MP) | 40.12 | 38.27 | 38.27 | Civil Contractor |
| | | | Dist. - Jhunjhunu (Raj) | 42.23 | 39.02 | 39.02 | M/s GVT , Civil Contractor |
| 3 | Gender equality | Promoting gender equality and empowering women | Dist.: Purvi SinghBhum, Jharkhand | 5.15 | 3.46 | 3.46 | M/s Parivesh |
| | | | Dist. - Jhunjhunu (Raj) | 2.00 | .12 | .12 | M/s GVT |
| 4 | Environmental and Animal welfare | Ensuring environmental sustainability; ecological balance, protection of flora and fauna, animal welfare,, agro forestry, conservation of natural resources and maintaining quality of soil, air and water | Dist.: Purvi SinghBhum, Jharkhand | 5.00 | 2.87 | 2.87 | M/s Parivesh |
| | | | Dist. - Balaghat (MP) | 179.89 | 123.3 | 123.3 | MPVVN Ltd and contractor |
| | | | Dist. - Jhunjhunu (Raj) | 21.68 | 16.76 | 16.76 | M/s GVT |



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

| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) |
|-------|-------------------|---|--|---------|--------|--------|---|
| 5 | Sports | Training to promote rural sports , nationally recognized sports, Paralympic sports and Olympic sports | Dist.: Purvi SinghBhum, Jharkhand | 6.50 | 3.25 | 3.25 | Direct |
| | | | Dist. - Balaghat (MP) | 1.00 | 1.00 | 1.00 | Direct |
| 6 | Rural development | Rural development projects; | Dist.: Purvi SinghBhum, Jharkhand | 8.96 | 8.96 | 8.96 | M/s Parivesh |
| | | | Dist. - Balaghat (MP) | 100.12 | 74.03 | 74.03 | Contractor and Direct |
| | | | Dist. - Jhunjhunu (Raj) | 150.53 | 120.52 | 120.52 | M/s GVT, M/s Shree Krishna Constructions |
| 7 | Miscellaneous | Miscellaneous activities | Purvi SinghBhum, (Jharkhand), Balaghat (MP), Jhunjhunu (Raj) | 116.89 | 21.65 | 21.65 | AIISD, Ranchi, Dexter Consultancy Pvt. Ltd., Direct |
| Total | | | | 1251.65 | 726.44 | 726.44 | |

Implementing agencies for CSR activities:

- M/s Parivesh Society
- M/s Gramin Vikas Trust
- M/s Madhya Pradesh Van Vikas Nigam Limited
- M/s International Institute Of Waste Management

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

Not Applicable

7. Responsibility statement of the CSR Committee:

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

Anupam Anand
Director (Personnel)

Dr U D Choubey
Independent Director &
Chairman, CSR & Sustainability Committee

Place: New Delhi
Date: 28.5.2015



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, three functional directors, viz., Director(Personnel), Director (Operations) and Director(Finance), two Government Directors (part-time official) representing the Ministry of Mines, Government of India and three Independent Directors (part-time non-official). The post of Director (Mining), three Independent Directors and one Independent Director are lying vacant since 31.12.2014, 6.2.2015 and 13.4.2015 respectively. The Company has requested the Ministry of Mines, Government of India to fill up the vacant posts.

(b) Meetings, attendance & other directorship

During 2014-15, six Board meetings were held on 24.5.2014, 13.8.2014, 13.11.2014, 4.12.2014, 5.2.2015, 3.3.2015 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 6 held | Attendance at last AGM held on 19.9.2014 | No of other directorship | No of committee position held in other companies | |
|--|---|--|--------------------------|--|--------|
| | | | | Chairman | Member |
| Shri K D Diwan, Chairman-cum-Mg.Director | 6 | Yes | Nil | Nil | Nil |
| Shri Anupan Anand Director(Personnel) | 6 | Yes | Nil | Nil | Nil |
| Shri Avijit Ghosh * Director (Mining) | 4* | Yes | 2 | Nil | Nil |
| Shri S Nanda Director (Operations) | 6 | Yes | Nil | Nil | Nil |
| Shri V V Venugopal Rao Director (Finance) | 6 | Yes | Nil | Nil | Nil |

(* Ceased to be a Director on 31.12.2014 vide Order No.10/1/2009-Met.III (Vol.II.), dated 9.12.2014 issued by the Ministry of Mines, Government of India)

(ii) Part time official Directors

| Name of the director | No of Board meetings attended out of 6 held | Attendance at last AGM held on 19.9.2014 | No of other directorship | No of committee position held in other companies | |
|----------------------|---|--|--------------------------|--|--------|
| | | | | Chairman | Member |
| Shri Arun Kumar | 4 | No | Nil | Nil | Nil |
| Smt Sujata Prasad | 4 | No | 3 | Nil | 5 |



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

(iii) Part time non official Directors (Independent)

| Name of the director | No of Board meetings attended out of 6 held | Attendance at last AGM held on 19.9.2014 | No of other directorship | No of committee position held in other companies | |
|-----------------------------|---|--|--------------------------|--|--------|
| | | | | Chairman | Member |
| Shri Arvind Sahay * | 5 | No | 3 | Nil | 1 |
| Shri Gyan Prakash Joshi * | 3 | No | 2 | Nil | Nil |
| Shri Puneesh Kumar Kapoor * | 5 | Yes | 1 | Nil | Nil |
| Smt Bulbul Sen | 5 | No | 1 | 1 | Nil |
| Shri U D Choubey | 4 | No | Nil | Nil | Nil |
| Shri V K Srivastava** | 6 | Yes | 1 | 1 | 1 |
| Shri Ashok Kumar Singh | 5 | No | 1 | Nil | 1 |

(*Ceased to be Director on completion of tenure on 6.2.2015) (**Resigned from the Board from 13.4.2015)

(C) Remuneration paid to Directors

(i) Whole-time Directors

The details of remuneration paid to the whole-time Directors during 2014-15 was as follows:

| Name of the Director | All elements of remuneration package i.e., salary, PF contribution, pension, gratuity etc. (₹) | Performance Linked Incentives* (₹) | Other Benefits (₹) | Total (₹) |
|--|--|------------------------------------|---|-----------------------|
| Shri K D Diwan Chairman-cum-Mg Director | 31,06,179.00 | 1,77,656.00 | Medical Nil Accommodation 6,08,113.00 Electricity 27,150.00 | 39,19,098.00 |
| Shri Anupam Anand Director (Personnel) | 29,38,862.00 | 1,40,195.00 | Medical 4,627.00 Accommodation 4,82,786.00 Electricity 36,124.00 | 36,02,594.00 |
| Shri Avijit Ghosh Director(Mining) [Upto 31.12.2014] | 21,83,854.00 | Nil | Medical 3,078.00 Accommodation 4,06,914.00 Electricity 17,805.00 | 26,11,651.00 |
| Shri S Nanda Director(Operations) | 26,46,782.00 | 0.00 | Medical 11,085.00 Accommodation 7,32,329.00 Electricity 32,535.00 | 34,22,731.00 |
| Shri V V venugopal Rao Director(Finance) | 24,33,549.00 | 0.00 | Medical 368.00 Accommodation 6,26,512.00 Electricity 24,526.00 | 30,84,955.00 |
| Total | 1,33,09,226.00 | 3,17,851.00 | 30,11,050.00 | 1,66,38,127.00 |

* relating to FY 2013-14

(ii) Part time non-official (independent) Directors

Independent Directors are not paid any remuneration except sitting fees at the rate of ₹10,000/- per Board meeting and per Committee meeting. During 2014-15, the amount of sitting fees paid to independent directors was as follows:

| Sl No | Name of the Director | Sitting Fees (₹) | | |
|-------|---------------------------|------------------|--------------------|-----------------|
| | | Board Meetings | Committee Meetings | Total |
| 1 | Shri Arvind Sahay | 50,000 | 1,05,000 | 1,55,000 |
| 2 | Shri Gyan Prakash Joshi | 40,000 | 50,000 | 90,000 |
| 3 | Shri Puneesh Kumar Kapoor | 50,000 | 1,40,000 | 1,90,000 |
| 4 | Smt Bulbul Sen | 50,000 | 50,000 | 1,00,000 |
| 5 | Shri U D Choubey | 40,000 | 60,000 | 1,00,000 |
| 6 | Shri V K Srivastava | 60,000 | 1,70,000 | 2,30,000 |
| 7 | Shri Ashok Kumar Singh | 50,000 | 70,000 | 1,20,000 |
| | Total | 3,40,000 | 6,45,000 | 9,85,000 |



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

(iii) Part time official Directors

There are two part time official Directors on the Board as on 31.3.2015. 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 terms of reference of the Audit Committee are as specified under Clause 49 of the listing agreement and provisions of the Companies Act, 2013. The chairman of the Committee is an independent director.

During the year, the Committee met five times on 23.5.2014, 12.8.2014, 1.9.2014, 12.11.2014, 4.2.2015 and attendance of the members at the meetings is given below:

| Composition | Number of meetings attended out of 5 held |
|---|---|
| Shri Puneesh Kumar Kapoor, Chairman * (Upto 6.2.2015) | 5 |
| Shri U D Choubey, Chairman ** (From 25.2.2015) | 2 |
| Smt Sujata Prasad, | Nil |
| Shri Gyan Prakash Joshi * | 4 |
| Smt Bulbul Sen** | Nil |
| Shri V K Srivastava | 5 |
| Shri A K Singh** | Nil |

(* Ceased to be director on completion of tenure on 6.2.2015)

(** Present members of the Committee reconstituted on 6.5.2015)

4. **Nomination and Remuneration Committee**

The terms of reference of the Committee are as specified under Clause 49 of the Listing Agreement, provisions of the Companies Act, 2013, and office memorandum No.2 (70) / 08-DPE (WC)-GL-XVI / 08 dated 26.11.2008, issued by the Department of Public Enterprises (DPE), Government of India (GoI). In terms of above office memorandum, the Committee also recommends payment of Performance Related Pay (PRP) and policy for its distribution across the executives (including functional directors) of the Company within the prescribed limits. The Committee comprises of three Independent Directors as its members.

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

During the year, the Committee met twice on 23.9.2014 and 22.3.2015, and attendance of the members at the meetings is given below:

| Composition | Number of meeting attended out of 1 held before revised Committee compositions |
|---|--|
| Shri Virendra Kumar Srivastava, Chairman (Upto 24.2.2015) | 2 |
| Shri Ashok Kumar Singh, Chairman (From 24.2.2015) | 1 |
| Ms. Bulbul Sen | 1 |
| Dr U D Choubey (From 6.5.2015) | Nil |
| Shri Arvind Sahay* | 1 |

(* Ceased to be Director on completion of tenure on 6.2.2015)



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

5. Stakeholders Relationship Committee

The Committee comprises of Mrs. Bulbul Sen, Independent Director as Chairperson, and Shri Anupam Anand, Director (Personnel) and Shri V V Venugopal Rao, Director (Finance) as Members. Shri C S Singhi, Company Secretary is the Compliance Officer. The Committee looks into the redressal of grievances received from security holders of the Company.

During 2014-15 the Company received and resolved four Investors grievances and there was no outstanding complaint as on 31.3.2015.

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 2014-15, the Committee met sixteen times on 15.5.2014, 23.7.2014, 3.9.2014, 13.10.2014, 20.10.2014, 30.10.2014, 12.11.2014, 18.11.2014, 25.11.2014, 17.12.2014, 1.1.2015, 9.1.2015, 28.1.2015, 23.2.2015, 13.3.2015, and 25.3.2015 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 | Number of special resolutions passed |
|---------|-----------|----------|--|--------------------------------------|
| 2012-13 | 27.9.2012 | 11.00 AM | Tamra Bhavan, 1 Ashutosh Chowdhury Avenue, Kolkata- 700019 | Nil |
| 2013-14 | 20.9.2013 | -do- | -do- | Nil |
| 2014-15 | 19.9.2014 | -do- | -do- | Nil |

Extraordinary General Meeting: Nil

Postal Ballot Meeting:

Two special resolutions were passed through Postal Ballot (Notice dated 17.2.2015) as per the provisions of Companies Act, 2013. The result of the Postal Ballot was announced at the registered office of the Company on 23.3.2015.

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 of the listing agreement.

The Company has a Whistle Blower Policy in terms of the provisions of the Companies Act, 2013 and revised clause 49 of the listing agreement. The Policy has been posted at the Company's website at www.hindustancopper.com.

The Company has not adopted any non-mandatory provisions specified in 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) 48th Annual General meeting (AGM)

Date : 17.8.2015

Time : 10.30 AM

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



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

ii) Financial Year : 1 April, 2014 to 31 March, 2015

iii) Book-closure date: 11.8.2015 to 17.8.2015 (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 BSE 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 2015-16 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 BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) during the FY 2014-15 was as follows:

| Month | BSE | | NSE | |
|----------------|----------|---------|----------|---------|
| | High(Rs) | Low(Rs) | High(Rs) | Low(Rs) |
| April 2014 | 84.05 | 68.20 | 83.95 | 68.40 |
| May 2014 | 109.60 | 70.80 | 109.40 | 70.70 |
| June 2014 | 125.00 | 99.50 | 125.00 | 99.80 |
| July 2014 | 117.80 | 92.05 | 117.70 | 92.35 |
| August 2014 | 94.00 | 84.40 | 93.95 | 84.35 |
| September 2014 | 94.70 | 75.40 | 94.80 | 75.45 |
| October 2014 | 83.50 | 74.50 | 83.45 | 74.60 |
| November 2014 | 88.00 | 75.00 | 87.90 | 75.20 |
| December 2014 | 79.80 | 67.20 | 79.70 | 67.00 |
| January 2015 | 75.70 | 68.45 | 75.15 | 68.30 |
| February 2015 | 81.50 | 67.90 | 81.50 | 67.75 |
| March 2015 | 76.70 | 60.25 | 76.60 | 60.10 |

ix) Shareholding pattern as on 31.3.2015

| | Category | No. of shares held | % |
|---|------------------------------|---------------------|------------|
| 1 | President of India | 83,22,18,459 | 89.95 |
| 2 | Mutual Funds | 31,01,506 | 0.34 |
| 3 | Financial Institutions/Banks | 1,07,69,004 | 1.16 |
| 4 | Insurance Companies | 5,46,83,782 | 5.91 |
| 5 | Bodies Corporate | 57,75,444 | 0.62 |
| 6 | NRIs/FIIs/QFIs | 10,39,945 | 0.11 |
| 7 | Trusts & Foundations | 175 | 0.00 |
| 8 | Indian Public | 1,76,29,685 | 1.91 |
| | Total | 92,52,18,000 | 100 |



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

x) Distribution of shareholding as on 31.3.2015

| Range | | Shares | Folios | % Shares |
|------------------|--------|------------------|--------------|---------------|
| 1 | 500 | 6882818 | 56458 | 0.7439 |
| 501 | 1000 | 3017363 | 3729 | 0.3261 |
| 1001 | 2000 | 2457203 | 1598 | 0.2656 |
| 2001 | 3000 | 1376272 | 534 | 0.1488 |
| 3001 | 4000 | 761500 | 211 | 0.0823 |
| 4001 | 5000 | 815782 | 173 | 0.0882 |
| 5001 | 10000 | 2008072 | 276 | 0.2170 |
| 10001 | 50000 | 2823569 | 150 | 0.3052 |
| 50001 | 100000 | 970657 | 14 | 0.1049 |
| 100001 and above | | 904104764 | 35 | 97.7180 |
| Total | | 925218000 | 63178 | 100.00 |

xi) Dematerialization of shares and liquidity

The Company's shares are tradable compulsorily in electronic form and are available for trading in the depository systems of both National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL). The International Securities Identification Number (ISIN) allotted to the Company's equity shares is INE531E01026 with effect from 29.8.2008. Status of dematerialization as on 31.3.2015 was as follows:

| Particulars | No. of Shares | % of Holding | No. of folio |
|--------------|---------------------|---------------|--------------|
| DEMAT : | | | |
| a) N S D L | 91,65,67,658 | 99.07 | 38,276 |
| b) C D S L | 85,58,189 | 0.92 | 24,306 |
| PHYSICAL | 92,153 | 0.01 | 596 |
| Total | 92,52,18,000 | 100.00 | 63178 |

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 locations

Indian Copper Complex
P.O.Ghatsila
Dist.Singhbhum
Jharkhand

Khetri Copper Complex
P.O.Khetrinagar
Dist.Jhunjhunu
Rajasthan

Malanjkhand Copper Project
P.O.Malanjkhand
Dist.Balaghat
Madhya Pradesh

Taloja Copper Project
P.O.Taloja
Dist.Raigad
Maharashtra

Gujarat Copper Project
747, GIDC Industrial Area
Jhagadia, Bharuch
Gujarat

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.

**EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31.3.2015**

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

I. REGISTRATION AND OTHER DETAILS:

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

| Sl. No. | Name and Description of main products / services | NIC Code of the Product / service | % to total turnover of the company |
|---------|--|-----------------------------------|------------------------------------|
| 1 | Copper Cathode | 7403.11 | 22.11 |
| 2 | Continuous Cast Copper Wire Rod | 7407.10 | 72.42 |
| 3 | Metal in Concentrate | NIL | NIL |

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

| Sl. No. | Name and Address of the Company | Cin/Gln | Holding/ Subsidiary/ Associate | % of Shares held | Applicable Section |
|---------|---------------------------------|---------|--------------------------------|------------------|--------------------|
| 1 | NIL | N.A. | N.A. | N.A. | N.A. |
| 2 | NIL | N.A. | N.A. | N.A. | N.A. |



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

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

i) Category-wise Share Holding

| Category of Shareholders | No. of Shares held at the beginning of the year | | | | No. of Shares held at the end of the year | | | | % Change during the year |
|--|---|----------|-----------|-------------------|---|----------|-----------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| A. Promoters | | | | | | | | | |
| (1) Indian | | | | | | | | | |
| a) Individual /HUF | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL |
| b) Central Govt. | 832696200 | NIL | 832696200 | 90.00 | 832218459 | NIL | 832218459 | 89.95 | 0.05 |
| c) State Govt (s) | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL |
| d) Bodies Corp. | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL |
| e) Banks/FI | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL |
| f) Any other... | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL |
| Sub-total (A) (1):- | 832696200 | NIL | 832696200 | 90.00 | 832218459 | NIL | 832218459 | 89.95 | 0.05 |
| (2) Foreign | | | | | | | | | |
| a) NRIs - Individual | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL |
| b) Other- Individuals | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL |
| c) Bodies Corp. | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL |
| d) Banks/FI | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL |
| e) Any other... | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL |
| Sub-total (A) (2):- | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL |
| Total Share holding of Promoter (A) = (A)(1)+(A)(2) | 832696200 | NIL | 832696200 | 90.00 | 832218459 | NIL | 832218459 | 89.95 | 0.05 |
| B. Public Shareholding | | | | | | | | | |
| 1. Institutions | | | | | | | | | |
| a) Mutual Funds | 3101800 | 100 | 3101900 | 0.34 | 3101406 | 100 | 3101506 | 0.34 | NIL |
| b) Banks/FI | 13344428 | NIL | 13344428 | 1.44 | 10769004 | NIL | 10769004 | 1.16 | 0.28 |
| c) Central Govt. | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL |
| d) State Govt(s) | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL |
| e) Venture Capital Funds | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL |
| f) Insurance Companies | 54258315 | NIL | 54258315 | 5.86 | 54683782 | NIL | 54683782 | 5.91 | 0.05 |
| g) FIIs | 165184 | NIL | 165184 | 0.02 | 368178 | NIL | 368178 | 0.04 | 0.02 |
| h) Foreign Venture Capital Funds | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL |
| i) Others (specify) | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL |
| Sub-total (B)(1):- | 70869727 | 100 | 70869827 | 7.66 | 68922370 | 100 | 68922470 | 7.45 | 0.21 |



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

| | | | | | | | | | |
|---|-----------|-------|-----------|--------|-----------|-------|-----------|--------|------|
| 2. Non-Institutions | | | | | | | | | |
| a) Bodies Corp. | | | | | | | | | |
| i) Indian | 5122016 | 4200 | 5126216 | 0.55 | 5771244 | 4200 | 5775444 | 0.62 | 0.07 |
| ii) Overseas | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL |
| b) Individuals | | | | | | | | | |
| i) Individual Share holders holding nominal share capital upto Rs.1 lakh | 14255147 | 91286 | 14346433 | 1.55 | 16152637 | 87853 | 16240490 | 1.76 | 0.20 |
| ii) Individual Share holders holding nominal share capital in excess of Rs.1 lakh | 1584940 | NIL | 1584940 | 0.17 | 1389195 | NIL | 1389195 | 0.15 | 0.02 |
| C) Others (specify) | 594384 | NIL | 594384 | 0.06 | 671942 | NIL | 671942 | 0.07 | 0.01 |
| Sub-total (B)(2):- | 21556487 | 95486 | 21651973 | 2.34 | 23985018 | 92053 | 24077071 | 2.60 | 0.26 |
| Total Public Shareholding (B)=(B)(1)+(B)(2) | 92426214 | 95586 | 92521800 | 10.00 | 92907388 | 92153 | 92999541 | 10.05 | 0.05 |
| C. Shares held by Custodian for GDRs & ADRs | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL |
| Grand Total (A+B+C) | 925122414 | 95586 | 925218000 | 100.00 | 925125847 | 92153 | 925218000 | 100.00 | 0.00 |

ii) Shareholding of Promoters

| Sl No | Share holder's name | Shareholding at the beginning of the year | | | Shareholding at the end of the year | | | % Change in share holding during the year |
|-------|---------------------|---|----------------------------------|---|-------------------------------------|----------------------------------|---|---|
| | | No. of Shares | % of total Shares of the company | % of Shares Pledged/ encumbered to total shares | No. of Shares | % of total Shares of the company | % of Shares Pledged/ encumbered to total shares | |
| 1 | President of India | 832696200 | 90.00 | NIL | 832218459 | 89.95 | NIL | 0.05 |
| | Total | 832696200 | 90.00 | NIL | 832218459 | 89.95 | NIL | 0.05 |



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

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

| Sl No | | Shareholding at the beginning of the year end of the year | | Cumulative Shareholding during the year | |
|-------|--|---|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| | At the beginning of the year | 832696200 | 90.00 | 832696200 | 90.00 |
| | Date wise Increase/ Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc): 31/05/2014 (Decrease - Transfer/ Disinvestment) | 477741 | 0.05 | 832218459 | 89.95 |
| | At the End of the year | 832218459 | 89.95 | 832218459 | 89.95 |

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

| Sl No | | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | | |
|-------|---|---|----------------------------------|---|----------------------------------|------|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company | |
| | For Each of the Top 10 Shareholders At the beginning of the year Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc): At the End of the year (or on the date of separation, if separated during the year) | | | | | |
| 1 | Life Insurance Corporation of India | | | | | |
| | At the beginning of the year | 01/04/2014 | 47893711 | 5.18 | 47893711 | 5.18 |
| | Increase — Transfer | 06/02/2015 | 19739 | 0.00 | 47913450 | 5.18 |
| | Increase — Transfer | 13/02/2015 | 313350 | 0.03 | 48226800 | 5.21 |
| | Increase — Transfer | 20/02/2015 | 92378 | 0.01 | 48319178 | 5.22 |
| | At the end of the year | 31/03/2015 | | | 48319178 | 5.22 |
| 2 | Central Bank of India | | | | | |
| | At the beginning of the year | 01/04/2014 | 3696774 | 0.40 | 3696774 | 0.40 |
| | At the end of the year | 31/03/2015 | | | 3696774 | 0.40 |
| 3 | Bank of India | | | | | |
| | At the beginning of the year | 01/04/2014 | 3311253 | 0.36 | 3311253 | 0.36 |
| | At the end of the year | 31/03/2015 | | | 3311253 | 0.36 |



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

| | | | | | | |
|-----------|--|------------|---------|------|---------|------|
| 4 | General Insurance Corporation of India | | | | | |
| | At the beginning of the year | 01/04/2014 | 2124540 | 0.23 | 2124540 | 0.23 |
| | At the end of the year | 31/03/2015 | | | 2124540 | 0.23 |
| 5 | The New India Assurance Company Limited | | | | | |
| | At the beginning of the year | 01/04/2014 | 1844904 | 0.20 | 1844904 | 0.20 |
| | At the end of the year | 31/03/2015 | | | 1844904 | 0.20 |
| 6 | Canara Bank | | | | | |
| | At the beginning of the year | 01/04/2014 | 1772501 | 0.19 | 1772501 | 0.19 |
| | Decrease — Transfer | 11/04/2014 | 90000 | 0.01 | 1682501 | 0.18 |
| | Decrease — Transfer | 18/04/2014 | 195000 | 0.02 | 1487501 | 0.16 |
| | Decrease — Transfer | 25/04/2014 | 102000 | 0.01 | 1385501 | 0.15 |
| | Decrease — Transfer | 16/05/2014 | 10000 | 0.00 | 1375501 | 0.15 |
| | Decrease — Transfer | 23/05/2014 | 262387 | 0.03 | 1113114 | 0.12 |
| | Decrease — Transfer | 30/05/2014 | 113284 | 0.01 | 999830 | 0.11 |
| | Decrease — Transfer | 06/06/2014 | 254000 | 0.03 | 745830 | 0.08 |
| | Decrease — Transfer | 13/06/2014 | 137000 | 0.01 | 608830 | 0.07 |
| | At the end of the year | 31/03/2015 | | | 608830 | 0.07 |
| 7 | LIC of India Profit Plus Growth Fund | | | | | |
| | At the beginning of the year | 01/04/2014 | 1000000 | 0.11 | 1000000 | 0.11 |
| | At the end of the year | 31/03/2015 | | | 1000000 | 0.11 |
| 8 | United India Insurance Company Limited | | | | | |
| | At the beginning of the year | 01/04/2014 | 1000000 | 0.11 | 1000000 | 0.11 |
| | At the end of the year | 31/03/2015 | | | 1000000 | 0.11 |
| 9 | LIC of India Market Plus 1 Growth Fund | | | | | |
| | At the beginning of the year | 01/04/2014 | 1000000 | 0.11 | 1000000 | 0.11 |
| | At the end of the year | 31/03/2015 | | | 1000000 | 0.11 |
| 10 | Syndicate Bank | | | | | |
| | At the beginning of the year | 01/04/2014 | 930000 | 0.11 | 930000 | 0.10 |
| | At the end of the year | 31/03/2015 | | | 930000 | 0.10 |
| 11 | Life Insurance Corporation Of India - ULIF004200910LIC END+GRW512 | | | | | |
| | At the beginning of the year | 01/04/2014 | 900000 | 0.11 | 900000 | 0.10 |
| | At the end of the year | 31/03/2015 | | | 900000 | 0.10 |



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

v) Shareholding of Directors and Key Managerial Personnel:

| Sl No | Directors and KMP | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|-------|--|---|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| | At the beginning of the year Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment/ transfer/bonus/sweat equity etc): | | | | |
| 1 | K. D. Diwan, Chairman-cum-Managing Director Beginning of the year End of the year | NIL NIL | 0.00 0.00 | NIL NIL | 0.00 0.00 |
| 2 | Anupam Anand, Director (Personnel) Beginning of the year End of the year | NIL NIL | 0.00 0.00 | NIL NIL | 0.00 0.00 |
| 3 | Subhendra Nanda, Director (Operation) Beginning of the year 31.5.2014 (Increase - Transfer) 6.6.2014 (Decrease - Transfer) End of the year | NIL 601 601 NIL | 0.00 0.00 0.00 0.00 | NIL 601 NIL NIL | 0.00 0.00 0.00 0.00 |
| 4 | V V Venugopal Rao, Director (Finance) Beginning of the year End of the year | NIL NIL | 0.00 0.00 | NIL NIL | 0.00 0.00 |
| 5 | Arun Kumar, Govt. Director Beginning of the year End of the year | NIL NIL | 0.00 0.00 | NIL NIL | 0.00 0.00 |
| 6 | Sujata Prasad, Govt. Director Beginning of the year End of the year | NIL NIL | 0.00 0.00 | NIL NIL | 0.00 0.00 |
| 7 | Bulbul Sen, Independent Director Beginning of the year End of the year | NIL NIL | 0.00 0.00 | NIL NIL | 0.00 0.00 |
| 8 | U D Choubey, Independent Director Beginning of the year End of the year | NIL NIL | 0.00 0.00 | NIL NIL | 0.00 0.00 |
| 9 | V K Srivastava, Independent Director Beginning of the year End of the year | NIL NIL | 0.00 0.00 | NIL NIL | 0.00 0.00 |
| 10 | A K Singh, Independent Director Beginning of the year End of the year | NIL NIL | 0.00 0.00 | NIL NIL | 0.00 0.00 |
| 11 | C S Singhi, Company Secretary Beginning of the year End of the year | NIL NIL | 0.00 0.00 | NIL NIL | 0.00 0.00 |



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

V. INDEBTEDNESS

NIL

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

| | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|--|-------------------------------------|--------------------|----------|-----------------------|
| Indebtedness at the beginning of the financial year | NIL | NIL | NIL | NIL |
| i) Principal Amount | | | | |
| ii) Interest due but not paid | | | | |
| iii) Interest accrued but not due | | | | |
| Total (i+ii+iii) | NIL | NIL | NIL | NIL |
| Change in Indebtedness during the financial year | NIL | NIL | NIL | NIL |
| ● Addition | | | | |
| ● Reduction | | | | |
| Net Change | NIL | NIL | NIL | NIL |
| Indebtedness at the end of the financial year | NIL | NIL | NIL | NIL |
| i) Principal Amount | | | | |
| ii) Interest due but not paid | | | | |
| iii) Interest accrued but not due | | | | |
| Total (i+ii+iii) | NIL | NIL | NIL | NIL |

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(₹ in lakh)

| Sl. No. | Particulars of Remuneration | Name of MD/WTD/Manager | | | | | Total Amount |
|---------|---|------------------------|----------|----------|----------|-----------|--------------|
| | | K.D. Diwan | A. Anand | S. Nanda | A. Ghosh | V.V.V Rao | |
| 1 | Gross salary | | | | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961 | 30.28 | 28.38 | 24.30 | 20.09 | 22.20 | 125.25 |
| | (b) Value of perquisites u/s 17(2) Income Tax, 1961 | 3.78 | 3.56 | 3.04 | 2.50 | 2.75 | 15.63 |
| | (c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2 | Stock Option | 0 | 0 | 0 | 0 | 0 | 0 |
| 3 | Sweat Equity | 0 | 0 | 0 | 0 | 0 | 0 |
| 4 | Commission | 0 | 0 | 0 | 0 | 0 | 0 |
| | – as % of profit | | | | | | |
| | – others, specify | | | | | | |
| 5 | Others, please specify | 0 | 0 | 0 | 0 | 0 | 0 |
| | Total (A) | 34.06 | 31.94 | 27.34 | 22.59 | 24.95 | 140.88 |
| | Ceiling as per the Act | 900.51 | 900.51 | 900.51 | 900.51 | 900.51 | 900.51 |



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

B Remuneration to other directors:

(₹ in lakh)

| Sl.No. | Particulars of Remuneration | Name of Directors | | | | | | | Total Amount |
|--------|---|-------------------|----------------|----------|--------------|--------|------------|------------|--------------|
| | | P.K. Kapoor | V.K. Srivastav | A. Sahay | U.D. Choubey | B. Sen | G.P. Joshi | A.K. Singh | |
| 1 | Independent Directors ● Fee for attending board/ committee meetings ● Commission ● Others, please specify | 1.90 | 2.30 | 1.55 | 1.00 | 1.00 | 0.90 | 1.20 | 9.85 |
| | Total (1) | 1.90 | 2.30 | 1.55 | 1.00 | 1.00 | 0.90 | 1.20 | 9.85 |
| 2 | Other Non-Executive Directors ● Fee for attending board committee meetings ● Commission ● Others, please specify | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| | Total (2) | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| | Total (B)=(1+2) | 1.90 | 2.30 | 1.55 | 1.00 | 1.00 | 0.90 | 1.20 | 9.85 |
| | Total Managerial Remuneration | | | | | | | | 150.73 |
| | Overall Ceiling as per the Act | | | | | | | | 900.51 |

C Remuneration to Key Managerial Personnel other than MD/WTD:

(₹ in lakh)

| Sl No | Particulars of Remuneration | Key Managerial Personnel | | | |
|-------|--|--------------------------|-------------------|-----|-------|
| | | CEO | Company Secretary | CFO | Total |
| 1 | Gross salary (a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961 (b) Value of perquisites u/s 17(2) Income Tax, 1961 (c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961 | | 24.13 | | 24.13 |
| 2 | Stock Option | | 0 | | 0 |
| 3 | Sweat Equity | | 0 | | 0 |
| 4 | Commission - as % of profit - others, specify | | 0 | | 0 |
| 5 | Others, please specify | | 0 | | 0 |
| | Total | | 24.13 | | 24.13 |

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES: Nil

| Type | Section of the Companies Act | Brief Description | Details of Penalty/ Punishment/ Compounding fees imposed | Authority [RD / NCLT / COURT] | Appeal made, if any (give Details) |
|-------------------------------------|------------------------------|-------------------|--|-------------------------------|------------------------------------|
| A. COMPANY | | | | | |
| Penalty | | | | | |
| Punishment | | | | | |
| Compounding | | | | | |
| B. DIRECTOR | | | | | |
| Penalty | | | | | |
| Punishment | | | | | |
| Compounding | | | | | |
| C. OTHER OFFICERS IN DEFAULT | | | | | |
| Penalty | | | | | |
| Punishment | | | | | |
| Compounding | | | | | |



MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2015

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

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

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993
- (vi) OTHER APPLICABLE ACTS,
 - Factories Act, 1948
 - The payment of Wages Act, 1936, and rules made thereunder,
 - The Minimum Wages Act, 1948, and rules made thereunder
 - The Employees' Provident Fund and Miscellaneous Provisions Act, 1952, and rules made thereunder,
 - The payment of Gratuity Act, 1972
 - The contract Labour (Regulation and Abolition) Act, 1970
 - The maternity Benefit Act, 1961
 - The Employees Compensation Act, 1923
 - The Apprentices Act, 1961



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

- Equal Remuneration Act, 1976
- Workmen Compensation Act, 1923
- The Environment (Protection) Act, 1986
- The Water (Prevention and Control of Pollution) Act, 1974
- The Air (Prevention and Control of Pollution) Act, 1981
- The Mines Act, 1952
- Explosive Act, 1884 and Explosive Rules, 2008
- Mines & Minerals (Development & Regulation) Act, 1957
- Boiler Act, 1923
- Indian Forest Act, 1927
- RTI Act, 2005

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

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

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

1. The Company has not framed Nomination, Remuneration and Evaluation Policy.
2. Policy on Related Party Transaction was recommended for approval of the Board by the Audit Committee on 17.03.2015, and the same was approved after the end of the financial year by the Board of Directors on 08.4.2015.
3. There was delay in filing of Annual return and Quarterly return under the Mines Act, 1952 at Ghatsila unit.

I further report that,

During the year the company has filed some forms after the due date. Where these forms are filed with late fees before expiry of period specified under Section 403 of the Companies Act, 2013, this should be reported as compliance by reference of payment of additional fees.

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. Three Independent Directors completed their term on 06.02.2015 and the posts are required to be filled up within three months and the matter has been referred to the Ministry of Mines, Government of India for filling of the vacant posts. The changes in the composition of the Board of Directors that took place during the period under review was carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda are sent as per the provisions of the Act, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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

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

Navin Kothari
Proprietor
FCS No. 5935

Place: Kolkata
Date: 26.05.2015
C P No.: 3725

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



Annexure A to Secretarial Audit Report

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

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

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

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

Place: Kolkata
Date: 26.05.2015

ADDENDUM TO THE REPORT OF THE BOARD OF DIRECTORS

Clarification of the Management in respect of observations of Secretarial Auditor
(Ref. Secretarial Auditors' Report 26th May 2015)

| Audit Observation No | Observations | Clarification of the Management |
|----------------------|--|--|
| 1. | The Company has not framed Nomination, Remuneration and Evaluation Policy. | Being a PSU, the appointment, remuneration and evaluation of executives in the Company is based on the extant guidelines and procedures as applicable to the Government Companies. |
| 2. | Policy on Related Party Transaction was recommended for approval of the Board by the Audit Committee on 17.3. 2015, and the same was approved after the end of the financial year by the Board of Directors on 8.4.2015. | Policy on Related Party Transaction already approved by the Board on 8.4.2015. |
| 3. | There was delay in filing of Annual return and Quarterly return under the Mines Act, 1952 at Ghatsila Unit. | In respect of Surda mine, Ghatsila there was delay in filing of return for 3rd & 4th quarter and annual return for 2014. This was due to sudden closure of mining activities by the order of Government of Jharkhand w.e.f 8.9.2014 and consequent delay in obtaining data from the Contractor to whom Surda mine operation has been outsourced. |

Place: New Delhi
Date: 28.5.2015

(K D Diwan)
Chairman-cum-Mg Director



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, 2015, 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.

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.
FRN 311149E
Chartered Accountants

CA. R N CHATTOPADHYAY
M No. 066774
Partner

Place: New Delhi
Date: 28th May, 2015



Business Responsibility Report

Section A: General Information about the Company

1. Corporate Identity Number (CIN) of the Company: L27201WB1967GOI028825
2. Name of the Company: Hindustan Copper Limited
3. Registered Address:
"Tamra Bhavan"
1 Ashutosh Chowdhury Avenue
Kolkata 700019
Tel. No.: 033-2283 2226/2529
Fax no.: 033-2283 2478/2640
4. Website: www.hindustancopper.com
5. E-mail: hcl_ho@hindustancopper.com, singhi_cs@hindustancopper.com
6. Financial Year Period: 2014-2015
7. Sector(s) that company is engaged in (industrial activity code-wise):

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

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

8. List three key products/services that the Company manufactures/ provides (as in balance sheet):
Hindustan Copper Limited (HCL) is the only vertically integrated copper mining company in India having its own captive mines. Following are the key products manufactured by the Company:
 - Copper Cathode
 - Continuous Cast Copper Wire Rod
 - Metal in Concentrate
9. Total number of locations where business activity is undertaken by the Company:
 - a) Number of International locations: None
 - b) Number of National locations: 14

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

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

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



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

Section B: Financial Details of the Company

1. Paid up Capital: Rs. 462.61 crore
2. Total Turnover: Rs. 1127.49 crore
3. Total Profit after Taxes: Rs. 67.60 crore
4. Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%): 10.75 %
5. List of activities in which expenditure in 4 above has been incurred:
 - a. Creating capacities to conserve water
 - b. Health & Hygiene
 - c. Enhancing livelihoods through educational support and vocational training
 - d. Ensuring environmental sustainability and ecological balance
 - e. Rural Development through promotion of sports and infrastructural development to improve the quality of life of the community
 - f. Centralized Activities like CSR&S Trainings, Third-Party Assessments, etc.

Section C: Other Details

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

Section D: BR Information

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

| | |
|-------------|------------------------------------|
| DIN | 02752767 |
| Name | Anupam Anand |
| Designation | Director(Personnel) |
| Phone | 033-2281 6221 |
| Mail Id | anupamanand@hindustancopper.com |
| DIN | 06608867 |
| Name | Subhendra Nanda |
| Designation | Director (Operations) |
| Phone | 033-2283 2432 |
| Mail Id | snanda@hindustancopper.com |
| DIN | 02950920 |
| Name | V V Venugopal Rao |
| Designation | Director (Finance) |
| Phone | 033-2283 2741 |
| Mail Id | vvvenugopalrao@hindustancopper.com |

- b) Detail of the BR head

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



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

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

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

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

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

**Company's Website: www.hindustancopper.com



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

3. Governance related to BR:

- Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.
The BR performance of the Company is assessed on a need basis and in accordance with statutory requirements.
- Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

The Company publishes annually its BR report as per SEBI guidelines and it can be viewed at the Company's website www.hindustancopper.com.

Section E: Section Wise Performance

Principle 1: Ethics, Transparency and Accountability

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

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

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

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

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

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

- Investor Grievances: 4 Investors grievances were received and resolved during 2014-15 and there was no outstanding complaint as on 31.3.2015;
- Public Grievances: 21 cases received during FY2014-15. All the cases were redressed.
- Customer Grievance: 5 complaints were received. All were systematically resolved.
- Stakeholder grievances pertaining to any other issue are forwarded to the respective department for redressal.

The stakeholders may address their complaints via platforms given below:

| | |
|-------------------------------|---|
| Employee Grievance | <ul style="list-style-type: none"> ● Grievance Redressal System ● Whistle Blower Policy |
| Shareholder Grievance | At dedicated email id-investors_cs@hindustancopper.com |
| Trade Union Grievance | Bipartite Forum at Unit/National level for the Company |
| Consumers/Customers Grievance | Grievance Redressal through Marketing Department |
| Public in General | Public Grievance System of the Ministry |



Principle 2: Products contributing to sustainability

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

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

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

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

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

The Company is committed to increased levels of recovery and recycling, as well as to making investments in primary production to reduce energy intensity, toxicity and waste.

Energy Conservation: Energy consumption is constantly monitored at the mines, plants and townships with a view to achieve overall reduction. The power factor in all four units is currently being maintained above 0.95. Further, in order to conserve energy HCL has taken many initiatives like replacement of old high pressure burner with low pressure burner at Smelter plant, VVF drive motors were installed in place of conventional motors and LED lights are being progressively used in units and offices in place of conventional lights etc.

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

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

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

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

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

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

Suppliers, vendors participate in awareness creation programs, capacity building workshops that include sharing technical expertise, skill up-gradation and shop floor visits.

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

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

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

Principle 3: Welfare of Employees

Businesses should promote the well-being of all employees.

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

3676 as on 31st March, 2015.

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

The number of employees hired on contract during FY 2014-15 was 17. There was no employee hired on temporary / casual basis.

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

230 as on 31st March, 2015.

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

36 as on 31st March, 2015.

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

Yes, there are recognised Trade Unions of workmen and an Officer's Association of executives.



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

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

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

| S No | Category | Complaints filed during the FY | Complaints pending at the end of FY |
|------|---|--------------------------------|-------------------------------------|
| 1 | Child labour/forced labour/involuntary labour | Nil | Nil |
| 2 | Sexual harassment | Nil | Nil |
| 3 | Discriminatory Employment | Nil | Nil |

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

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

| Category | % |
|--|----|
| Permanent Employees | 75 |
| Permanent Women Employees | 19 |
| Casual/Temporary/Contractual Employees | 20 |
| Employees with Disabilities | 58 |

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

Principle 4: Stakeholder Engagement

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

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

Yes

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

Yes

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

Yes, the Company takes various initiatives to engage with disadvantaged or marginalized stakeholders such as employees with special needs, employees from disadvantaged sections of society. All decisions that impact such stakeholders are taken only post deliberations. The needs of the vulnerable and marginalized stakeholders of the community are considered while designing community development initiatives. This is carried out through continuous interaction and engagement with the stakeholders through appropriate channels and platforms, such as public hearings, surveys, and most importantly through regular interactions during the course of implementation of social programmes.

Principle 5: Human Rights

Businesses should respect and promote human rights.

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

HCL does not have a Policy on Human Rights. However, the Company respects human rights and addresses human rights through its own codes and procedures and compliance with applicable laws (like Factories Act, Mines Act and other labour legislations) and through HR practices, which embody some of human rights principles such as prevention of child labour, forced labour, etc.

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

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



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

Principle 6: Environment

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

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

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

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

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

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

Yes

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

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

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

Yes, the Company has taken following initiatives:

Energy Conservation:

- Gradual introduction of Variable Frequency Drive in place of conventional drive.
- Replacement initiatives of conventional lights with LED lights in all units and offices.
- Electrical water heater was replaced by solar water heater in few places.
- Large capacity equipments are commissioned in mines for energy conservation besides high productivity.
- Scheduled replacement and preventive maintenance of mining equipment and Plants for efficient use of energy.

New Technologies:

- Replacement with Dust Bloc: Dust bloc (synthetic liquid) has been experimentally used thus reducing the consumption of water.
- Recovery of valuable metals from Copper ore tailing- a pilot plant will be installed at KCC to assess the project viability.

R&D projects:

- Nickel salts are recovered from the spent electrolyte of ICC Refinery plant
- Bench scale study has been initiated to extract copper from concentrate by hydrometallurgical route.
- EOI was floated to identify new technology to recover copper, acid and nickel from the spent electrolyte of ICC Refinery.

Environment:

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

Waste management:

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

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

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

Effluent treatment facilities installed at the Units of the Company have been working satisfactorily and meeting regulatory norms as prescribed by the Pollution Control Boards. Discharged process water is being recycled after treatment thus conserving the water. Solid waste from plants and hospitals is also safely disposed-off or stored as per guidelines prescribed by the Pollution Control Boards.

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

Nil

Principle 7: Public Advocacy

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

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

Yes, e.g. the Standing Conference of Public Enterprises (SCOPE), Indian Society of Training & Development (ISTD), Indian Copper Development Centre(ICDC), All India Management Association (AIMA), National Institute of Personnel Management (NIPM), Confederation of Indian Industry (CII), Federation of Indian Mineral Industries(FIMI), Quality Circle Forum of India(QCFI) and Indian National Suggestion Scheme Association(INSAN).



2. Have you advocated / lobbied through above associations for the advancement or improvement of public good? Yes / No; if yes, specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Polices, Energy Security, Water, Food Security, Sustainable Business Principles, Others)
No

Principle 8: Inclusive Growth

Businesses should support inclusive growth and equitable development.

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

Yes. The Company is committed to social, economic and environmental development of communities at all its operations and is committed to long term, mutually beneficial partnership between communities, Government & stake holders. It focuses on responsible business practices with community-centric interventions. The corporate social responsibility (CSR) plan of the Company approved by the Board has considered the above and is prepared based on Need Assessment Survey. The CSR initiatives are taken up primarily in and around areas of HCL Units, within a radius of 15-20 Km.

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

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

3. Have you done impact assessment of your initiative?

Yes, the Company has got impact assessment of its CSR initiatives conducted by M/S Management Development Institute, Gurgaon in FY 2012-13 and M/s Dexter Consultancy Private Limited, Ahmadabad in FY 2014-15.

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

Rs 7.26 crores during the year 2014-15, the details of the project undertaken are given as follows:

- Drinking Water, Health and sanitation: Installation of Borewell including soak pit, Health Camps, Support to e-health centre, Drinking water services by mobile tankers for nearby villagers.
- Education, Vocational skills and Livelihood: Diversified Agriculture (SRI/SWI), Female Literacy Center, Computer Training Center, Exposure visit of SHG member and farmers, Capacity building of SHG members, imparting vocational skills in trades i.e. Motor winding & starter training and Training on TV/ VCD.
- Environment and animal welfare: Veterinary Camps, Maintenance of existing plantation done in 2012-13 and in 2013-14, covering by top soil & Plantation at the waste rock dump in MCP.
- Sports: Training of Youth, provision of Sports Items and Organising Tournaments
- Swachh Bharat Abhiyaan and Swachh Vidyalaya Abhiyaan: Developing awareness to keep our workplace and surrounding villages/area clean, Developing awareness on safe sanitation and the need to build and use toilets, Prabhat Pheri/ walkathons by employees and their families, Rallies by students with banners/placards in local languages and construction/ repair of toilets in schools under Swachh Vidyalaya Abhiyaan.

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

Yes. The Company follows participatory approach in selection of CSR initiatives. The Company conducts base-line studies and need assessment surveys before initiating any CSR intervention. It adopts a collaborative and participatory approach towards delivering the community development initiatives. Majority of the community development initiatives are planned to have a defined exit strategy wherein the Company hands over the project to communities for sustainably carrying forward the initiatives. The Company continues to support these initiatives as deemed appropriate. Training and capacity building of communities to successfully adopt these initiatives is also planned as part of the overall project plan.

The continuation of the CSR initiatives, i.e., Systematic Rice Intensification (SRI), Solar Street Lights or the livelihood programs, e.g., Handloom weaving Units indicate that the community has adopted them whole-heartedly. Self Help Groups are formed amongst the villagers who look after the routine maintenance of the installed Solar Street Lights and Hand-Pumps. Similarly the Self Help Groups have been formed in respect of the livelihood initiatives, i.e., Handloom weaving, etc.

HCL has been conferred with the SKOCH Order of Merit for the CSR project namely 'Systematic Rice Intensification' and has been selected as amongst the best projects in the Country in November 2014. HCL was also endorsed the '50 Most Caring Companies of India' by the World CSR Day.

Principle 9: Value to Customers

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

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

Nil

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

Yes

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

Nil

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

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



**COMMENT OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA
UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE
ACCOUNTS OF HINDUSTAN COPPER LIMITED, KOLKATA FOR THE YEAR
ENDED 31ST MARCH 2015.**

The preparation of financial statements of Hindustan Copper Limited for the year ended 31st March 2015 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the company. The Statutory Auditor appointed by the Comptroller and Auditor General of India under Section 139(5) of the Companies Act, 2013 is responsible for expressing opinion on these financial statements under Section 143 of the Companies Act, 2013 based on independent audit in accordance with the standards on auditing prescribed under section 143(10). This is stated to have been done by them vide their Audit Report dated 28th May 2015.

I, on behalf of the Comptroller and Audit General of India, have conducted a supplementary audit under Section 143(6)(a) of the Companies Act, 2013 of the financial statements of Hindustan Copper Limited for the year ended 31st March 2015. This supplementary audit has been carried out independently without access to the working papers of the statutory auditor and is limited primarily to inquiries of the statutory auditor and company personnel and a selective examination of some of the accounting records. On the basis of my audit, nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditors' Report under Section 143(6)(b) of the Companies Act, 2013.

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

(Yashodhara Ray Chaudhuri)
Principal Director of Commercial Audit
& Ex-officio Member, Audit Board-I,
Kolkata

Place: Kolkata
Date: 18-06-2015



TEN YEARS AT A GLANCE

(₹ in lac)

| YEAR | 2014-15 | 2013-14 | 2012-13 | 2011-12 | 2010-11 | 2009-10 | 2008-09 | 2007-08 | 2006-07 | 2005-06 |
|---------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| FOR THE YEAR | | | | | | | | | | |
| Turnover | 112749 | 161590 | 147527 | 163818 | 128128 | 142985 | 134910 | 183979 | 179964 | 105376 |
| Gross Profit/(Loss) | 8113 | 43297 | 40790 | 47448 | 33939 | 21933 | 1230 | 33051 | 36668 | 13875 |
| Depreciation and | | | | | | | | | | |
| Amortisation | 11285 | 17414 | 15098 | 14406 | 9727 | 8104 | 7372 | 8189 | 8945 | 5837 |
| Net Profit/(Loss) | 6760 | 28642 | 35564 | 32346 | 22410 | 15468 | (1031) | 24646 | 31394 | 10588 |
| Value Added | 71578 | 116505 | 95385 | 114697 | 99195 | 70182 | 40206 | 72612 | 78108 | 38539 |
| Value of production | 121947 | 176557 | 177106 | 170421 | 140946 | 150604 | 134428 | 199124 | 190918 | 105334 |
| AT THE YEAR END | | | | | | | | | | |
| Share Capital | 46261 | 46261 | 46261 | 46261 | 46261 | 46261 | 46261 | 46261 | 97745 | 94895 |
| Internal Resources | 206288 | 198993 | 179070 | 151400 | 127597 | 120069 | 102695 | 101588 | 19560 | (11057) |
| Term Loans | — | — | — | — | — | — | — | 11250 | 21250 | 28750 |
| Cash credit from banks | — | — | — | — | — | 5 | 230 | 98 | 398 | 481 |
| Capital expenditure gross | 174149 | 155190 | 142135 | 127855 | 122921 | 116923 | 111085 | 103706 | 99399 | 97789 |
| Working Capital | 79225 | 87638 | 82999 | 68585 | 52658 | 36501 | 36116 | 49206 | 32862 | 6278 |
| Capital employed | 99426 | 108817 | 103632 | 89502 | 73975 | 58464 | 57086 | 65748 | 50462 | 24747 |
| Manpower (No.) | 3676 | 4112 | 4498 | 4810 | 5100 | 5300 | 5440 | 5405 | 5451 | 5583 |



To the Members of Hindustan Copper Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Hindustan Copper Limited (hereinafter referred to as "the Company"), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015, and its profit and its cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to Clause no.- 1(i)(b) and 1(ii) of Note No.- 35 of General Notes on Accounts to the financial statements which describes the uncertainty related to the outcome of various pending legal cases filed against the Company by various parties as also tax related appeal cases filed by the company and its financial impact in the financial statement of the company. The Company has treated those demands as disputed and not acknowledged as debt in the books and treated the same as Contingent Liabilities. The total amount of such pending disputed litigations comes to ₹ 53191.27 lac.



INDEPENDENT AUDITOR'S REPORT (Contd.)

Our opinion is not modified in respect of this matter.

Other Matters

- a) Total sales turnover during the year was reduced by reversal of export sales of ₹ 3581.17 lac and also of Sundry Debtors relating to export sales accounted for in the previous year 2013-14, (Refer Clause No.:- 14 of Note-35 General Notes on Accounts).
- b) Balances under the head Sundry Debtors, Sundry Creditors, Loans & Advances from and to various parties, Claims Recoverable, Deposit from and to various parties etc. have not been confirmed in number of cases (Refer Clause No.:- 9 of Note-35 General Notes on Accounts).

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure-I a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by the Companies Act, 2013 under section 143(5), we give in the Annexure-II a statement on the matters directed by C& AG.
3. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account;
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) On the basis of the written representations received from the management, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act; and
 - (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statement (Refer Clause no.: 1(i) (b) and 1(ii) of Note No.: 35 of General Notes on Accounts) and our comments made in first paragraph of this report under "Emphasis of Matter".
 - ii. The Company did not have any material foreseeable losses on long term contract including derivative contracts.
 - iii. According to the information and explanations given to us the Company is not required to transfer any amount to the investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made there under.

Place : New Delhi
Date : 28th May, 2015

For A.Kayes & Co.
Chartered Accountants.
Firm's registration No. 311149E

CA. R.N.Chattopadhyay
Partner
Membership No. 066774



ANNEXURE -I TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in our report of even date attached)

- (i) (a) The Company has generally maintained proper records showing full particulars including quantitative details and situation of Fixed Assets.
- (b) Fixed Assets of the company have not been physically verified by the management during the year under audit pursuant to company's Accounting policy (Clause No.3.6 of Note No. 2 of Significant Accounting Policies read with Clause no.:- 29 of Note No.:- 35 of General Notes on Accounts) and as such question of major discrepancies and its treatment in books of account does not arise this year. However in terms of aforesaid policy, the fixed assets were physically verified during the previous year 2013-14.
- (ii) (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 dealt with in the books of account.
- (iii) According to information and explanations given to us, the company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Therefore, reporting under sub clauses (a) and (b) are not applicable to the Company.
- (iv) 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 continuing failure to correct major weakness in internal control system.
- (v) According to the information and explanations given to us, the company has not accepted any deposit from the public within the meaning of Section 73 to 76 or any other relevant provision of the Companies Act and the rules framed there under.
- (vi) 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 sub section 1 of section 148 of the Companies Act, 2013 and we are of the opinion that, prima facie, such accounts and records have been made and maintained.
- (vii) (a) According to the records of the Company and information and explanations given to us, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Income Tax, Sales Tax, Wealth tax, Service Tax, Custom duty, Excise duty, Value Added Tax, Cess and other statutory dues with the appropriate authorities. Employees State



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

Insurance is not applicable on the Company. There is no arrear of outstanding statutory dues as at 31st March 2015 for a period of more than six months from the date they became payable excepting ₹951.60 lacs 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, Wealth Tax, Entry Tax, Service Tax, Custom Duty, Value Added Tax, Excise Duty and Cess as on 31st March 2015:

| Name of the Statute | Nature of Dues | Period to which the amount relates | Forum where dispute is pending | Amount (₹in lacs) |
|----------------------------------|-----------------------|--|--|-------------------|
| West Bengal Value Added Tax Act, | State Sales Tax / VAT | 2004-05 (Regional Sales Office-East) | Dy. Commissioner (Appeal) | 10.46 |
| West Bengal Value Added Tax Act, | State Sales Tax / VAT | 2006-07 (Regional Sales Office-East) | Sr. Jt. Commissioner (Appeal) | 0.96 |
| West Bengal Value Added Tax Act, | State Sales Tax/ VAT | 2008-09 (Regional Sales Office-East) | Sr. Jt. Commissioner (Appeal) | 50.12 |
| West Bengal Value Added Tax Act, | State Sales Tax/ VAT | 2010-11 (Regional Sales Office-East) | Additional Commissioner (Appeal) | 4.73 |
| Central Sales Tax Act | Central Sales Tax | 2007-08 (Indian Copper Complex, Ghatsila Unit) | Commissioner of Commercial Taxes, Jamshedpur | 345.11 |
| Central Excise Act | Central Excise | 1985-86 (Indian copper Complex, Ghatsila Unit) | CESTAT | 60.60 |
| Central Excise Act | Central Excise | 1997-98 TO 1999-00 (Indian copper Complex, Ghatsila Unit) | CESTAT | 203.52 |
| Central Excise Act | Central Excise | 1995-96 (Indian copper Complex, Ghatsila Unit) | CESTAT | 15.65 |
| Central Excise Act | Central Excise | 2000-01 TO 2003-2004 (Indian copper Complex, Ghatsila Unit) | CESTAT | 1501.76 |
| Central Excise Act | Central Excise | 2000-2001 TO 2001-2002 (Indian copper Complex, Ghatsila Unit) | CESTAT | 283.40 |
| Central Excise Act | Central Excise | 1996-97 (Indian copper Complex, Ghatsila Unit) | CESTAT | 1.46 |



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

| | | | | |
|-------------------------------------|----------------------|---|---|---------|
| Central Excise Act | Central Excise | 1998 (Indian copper Complex, Ghatsila Unit) | CESTAT | 16.00 |
| Madhya Pradesh Value Added Tax Act, | Entry Tax | 1994-95 (Malanjkhanda Copper Project) | Commissioner (Appeals) Jabbalpur | 5.38 |
| Madhya Pradesh Value Added Tax Act, | State Sales Tax/ VAT | 2009-2010 (Malanjkhanda Copper Project) | Sales tax Authority (Bhopal) | 34.47 |
| Madhya Pradesh Value Added Tax Act, | State Sales Tax/ VAT | 2011-12 (Malanjkhanda Copper Project) | Sales tax Authority (Bhopal) | 16.66 |
| Central Excise Act | Central Excise | 2006-07 TO 2011-12 (Malanjkhanda Copper Project) | Customs, Excise & Service Tax Appellate tribunal, New Delhi | 394.97 |
| Central Excise Act | Central Excise | 2005-06 To 2007-08 (Malanjkhanda Copper Project) | Commissioner Central Excise | 64.19 |
| Central Excise Act | Central Excise | 1998-99 TO 2014-15 (Khetri Copper Complex) | Asst. / Joint/ Dy. Commissioner Central Excise | 1647.13 |
| Service Tax Act | Service Tax | 1998-99 TO 2013-14 (Khetri Copper Complex) | CESTAT/ Asst. Commissioner/ Commissioner/ | 76.53 |
| Rajasthan Value Added Tax Act, | Central Sales Tax | 2007-08 (Khetri Copper Complex) | Rajasthan Tax Board, Ajmer | 2.84 |
| Rajasthan Value Added Tax Act, | Central Sales Tax | 2009-10 (Khetri Copper Complex) | Dy. Commissioner (Appeal), Bikaner | 15.58 |
| Rajasthan Value Added Tax Act, | Central Sales Tax | 2010-11 (Khetri Copper Complex) | Dy. Commissioner (Appeal), Bikaner | 16.35 |
| Rajasthan Value Added Tax Act, | Entry Tax | 2004-05 TO 2014-15 (Khetri Copper Complex) | Supreme Court, New Delhi | 661.96 |
| Property Tax Act | Property Tax | 2006-07 TO 2012-13 (Khetri Copper Complex) | High Court, Jaipur | 1655.16 |



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

| | | | | |
|----------------------------------|----------------------|--|-------------------------------------|-----------------|
| Income Tax Act | Income Tax | 2004-05, 2006-07, 2008-09, 2010-11 & 2011-12 (Head Office) | Commissioner of Income Tax (Appeal) | 4538.86 |
| Central Excise Act | Central Excise | 2007-08 TO 2014-15 (Taloja Copper Project) | CESTAT | 481.63 |
| Maharashtra Value Added Tax Act, | State Sales Tax/ VAT | 1994-95 (Taloja Copper Project) | Appellate Authority | 18.81 |
| | | | Total: | 12124.29 |

- (c) According to the information and explanations given to us the Company is not required to transfer any amount to the investor education and protection fund in accordance with the relevant provisions of the Companies Act,1956 (1 of 1956) and rules made there under.
- (viii) The Company has no accumulated losses as at 31st March 2015 and it has not incurred any cash losses in the financial year ended on that date and in the immediately preceding financial year.
- (ix) According to information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders.
- (x) According to the information and the explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xi) According to information and explanations given to us, the Company has not obtained any term loan during the year.
- (xii) As reported by the management , certain financial irregularities/fraudulent transactions in Sales and Debtors records were committed in earlier years as stated vide Clause No.16 of Note No.:- 35 -General Notes on Accounts of financial statement. The management did not declare the same as fraud at that time. The principal amount and some portion of the interest involved has since been recovered by the company. Necessary provision was made for uncovered portion of interest and penal interest on overdue interest amounting to ₹50.59 lac in the previous financial year 2013-14. Further investigations with regard to other issues are still going on. However, during the course of our audit, no fraud on or by the company has been noticed or reported in respect of the current financial year 2014-15.

Place : New Delhi
Date : 28th May, 2015

For A.Kayes & Co.
Chartered Accountants.
Firm's registration No. 311149E

CA. R.N.Chattopadhyay
Partner
Membership No. 066774



ANNEXURE - II TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in our report of even date attached)

Report pursuant to directions issued by office of C& AG u/s 143(5) of the Companies Act,2013

| Sl No. | Direction | Statutory Auditor's Reply | | | | | | | | | | | | | | | | | | |
|------------------------------|---|---|------|--------------|----------|------------------|----|---------|-----------------------------|----|-------|------------------------------|----|-------|-------------------|----|----------|--------------|-----------|-----------------|
| 1. | If the Company has been selected for disinvestment, a complete status report in terms of valuation of Assets (including intangible assets & land) and Liabilities (including Committed & General Reserves) may be examined including the mode and present stage of disinvestment process. | The Company has not been selected for disinvestment during the year under audit. However, the Govt. of India has sold 477741 no. of shares out of its existing shareholding in the Company to the eligible employees at an offered price of ₹ 66.50 per share and mobilised an amount of ₹ 317.70 lac in May 2014. Consequent to above disinvestment of shares the Govt. shareholding in the Company has come down from 90% to 89.95%. | | | | | | | | | | | | | | | | | | |
| 2. | Please report whether there are any cases of waiver /write off of debts/loan/interest etc., if yes, the reasons there for and the amount involved. | As per information given to us, there was no case of waiver of debts/loan/interest etc. during the year under audit. | | | | | | | | | | | | | | | | | | |
| 3. | Whether proper records are maintained for inventories lying with third parties & assets received as gift from Government or other authorities. | Based on records examined, proper records are maintained for the inventories lying with third parties. As informed by the management and based on records examined, the company has not received any gift from Government or other authorities. | | | | | | | | | | | | | | | | | | |
| 4. | A report on age wise analysis of pending legal/arbitration cases including the reasons of pendency and existence/effectiveness of a monitoring mechanism for expenditure on all legal cases (foreign and local) may be given. | As informed by the management and based on the records examined, the company has 72 nos. of pending legal/arbitration cases against the company pending in various courts /arbitration (except disputes related to Govt. demands and Statutory dues) amounting to ₹ 41066.98 lac. As per information and explanations given to us by the company, the details of age wise analysis of pending legal/arbitration cases are as under:- <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>Year</th> <th>No. of cases</th> <th>₹ in lac</th> </tr> </thead> <tbody> <tr> <td>Less than 1 year</td> <td align="right">04</td> <td align="right">1449.82</td> </tr> <tr> <td>1 year to less than 2 years</td> <td align="right">06</td> <td align="right">59.04</td> </tr> <tr> <td>2 years to less than 3 years</td> <td align="right">04</td> <td align="right">18.77</td> </tr> <tr> <td>3 years and above</td> <td align="right">58</td> <td align="right">39539.35</td> </tr> <tr> <td>Total</td> <td align="right">72</td> <td align="right">41066.98</td> </tr> </tbody> </table> | Year | No. of cases | ₹ in lac | Less than 1 year | 04 | 1449.82 | 1 year to less than 2 years | 06 | 59.04 | 2 years to less than 3 years | 04 | 18.77 | 3 years and above | 58 | 39539.35 | Total | 72 | 41066.98 |
| Year | No. of cases | ₹ in lac | | | | | | | | | | | | | | | | | | |
| Less than 1 year | 04 | 1449.82 | | | | | | | | | | | | | | | | | | |
| 1 year to less than 2 years | 06 | 59.04 | | | | | | | | | | | | | | | | | | |
| 2 years to less than 3 years | 04 | 18.77 | | | | | | | | | | | | | | | | | | |
| 3 years and above | 58 | 39539.35 | | | | | | | | | | | | | | | | | | |
| Total | 72 | 41066.98 | | | | | | | | | | | | | | | | | | |



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

| | | |
|----|--|---|
| | | <p>A statement of major legal/arbitration cases against the Company and pending in various courts / arbitration is provided at Appendix - A.</p> <p>The company is contesting the above demands and the management including the legal advisor believes that its position will likely be upheld in the appellate process. The company also believes that ultimate outcome of these proceedings will not have a material adverse effect on the financial position of the company.</p> <p>In the matter of existence/effectiveness of a monitoring mechanism for expenditure on all legal cases (foreign and local) in the company, as informed by the management and on the basis of record examined by us the legal department is regularly monitoring all those pending cases. In general the company fixes rate contracts with advocates for appearance and filing of regular cases. Wherever there is no rate contract, expenditure is incurred with approval of the competent authority on case to case basis. During the year the company has incurred ₹ 113.02 lac on various legal/arbitration matters and allied appearance.</p> |
| 5. | Examine the treatment of mine development expenditure in accounts. | <p>As disclosed by the management in Significant Accounting Policies vide item no. 8 and based on the records examined, the treatment of mine development expenditure in accounts is as under :</p> <p>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.</p> <p>2. In case of working mines, where development activities are going on simultaneously : Expenses are apportioned between capital and revenue on the basis of in-house technical estimates.</p> <p>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</p> |



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

| | |
|--|--|
| | <p>same is valued on the basis of opening rate of mine development expenditure.</p> <p>4. Expenditure incurred on exploration of new deposits is included in mine development expenditure. If subsequently the exploration activities are found to be not viable, the expenditure on such exploratory work included in mine development expenditure is written off in the year in which it is decided to abandon the project.</p> <p>5. If a working mine is closed due to economic reasons, the unamortized Mine Development Expenditure related to that mine is provided in the books of accounts in the year in which it is decided to close or suspend operation of the mine. If later on, the closed / suspended mines are re-opened and the company remains the owner of the mines, the unamortized Mine Development Expenditure which was fully provided in the year of closure will be written back in the books of accounts in the year of re-opening and the company will be charging amortization year wise based on the estimated remaining life of that mine.</p> |
|--|--|

Place : New Delhi
Date : 28th May, 2015

For A.Kayes & Co.
Chartered Accountants.
Firm's registration No. 311149E

CA. R.N.Chattopadhyay
Partner
Membership No. 066774

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

Appendix-A
Referred to Annexure-II to the Independent Auditor's Report in the paragraph 4 of our Report of even date
Details of major pending legal/arbitration cases

| Sl No. | Petitioner/ Respondent | Year of of Commencement | Particulars | Amount (₹ in Lac) | Present Status of the case | Reasons of pendency | Pending with |
|--------|---|-------------------------|--|-------------------|---|--|-------------------------------------|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| 1 | Municipal Council, Malanjhand Vs HCL | 2000-01 to 2011-12 | Penalty on Terminal Tax | 25914.20 | Pending before the Hon'ble Supreme Court | The case is yet to be listed for final hearing by the Hon'ble Court | Hon'ble Supreme Court |
| 2 | Madhya Pradesh State Electricity Board Vs HCL | 2011-12 | Interest on Electricity Tariff | 7008.00 | The Hon'ble Supreme Court has granted ad-interim stay of the order of Jabalpur High Court | The case is yet to be listed for final hearing by the Hon'ble Court | Hon'ble Supreme Court |
| 3 | Municipal Council, Malanjhand Vs HCL | 2005-06 to 2008-09 | Property Tax | 1032.47 | Writ petition with Jabalpur High Court | The case is yet to be listed for final hearing by the Jabalpur High Court | Jabalpur High Court |
| 4 | Bhagawati Gases Limited Vs HCL | 2014-15 | Trade Dispute for supply of gaseous Oxygen | 1079.80 | Pending before Jhunjhunu District Court, Rajasthan | The case is yet to be listed for final hearing by the Jhunjhunu District Court | Jhunjhunu District Court, Rajasthan |
| 5 | Utkal Moulders Vs HCL | 2011-12 | Interest for delayed payment against supply of Grinding Media Balls | 1662.72 | Pending before Sole Arbitrator | The final decision of the Arbitrator pending. | Sole Arbitrator |
| 6 | HCL Vs Nicco Corporation Limited | 2010-11 | ICC Pollution Control Plant under Pkg-I & III not completed as per terms of Contract | 105.36 | Pending before Ghatsila District Court | The case is yet to be listed for final hearing by the Ghatsila District Court | District Court, Ghatsila |
| 7 | Foundry of India Vs HCL | 2011-12 | Dispute regarding supply of Grinding Media Balls | 224.08 | Pending before Jhunjhunu District Court, Rajasthan | The case is yet to be listed for final hearing by the Jhunjhunu District Court | Jhunjhunu District Court, Rajasthan |
| 8 | Tega Industries Limited Vs HCL | 1991-92 | Dispute regarding supply of Ball Mill Liner | 386.53 | Pending before Sole Arbitrator | The final decision of the Sole Arbitrator is pending. | Sole Arbitrator |

**BALANCE SHEET AS AT 31ST MARCH 2015**

| PARTICULARS | Note No. | (₹ in lac) | |
|--|----------|------------------------|------------------------|
| | | As at 31st March, 2015 | As at 31st March, 2014 |
| I. EQUITY AND LIABILITIES | | | |
| (1) SHAREHOLDERS' FUNDS | | | |
| (a) Share Capital | 3 | 46260.90 | 46260.90 |
| (b) Reserves and Surplus | 4 | 139892.24 | 136666.11 |
| (2) SHARE APPLICATION MONEY PENDING ALLOTMENT | 5 | — | — |
| (3) NON-CURRENT LIABILITIES | | | |
| (a) Long Term Borrowings | 6 | — | — |
| (b) Deferred Tax Liabilities (net) | 7 | — | — |
| (c) Other Long Term Liabilities | 8 | 1998.83 | 2175.35 |
| (d) Long Term Provisions | 9 | 7965.34 | 3430.47 |
| (4) CURRENT LIABILITIES | | | |
| (a) Short Term Borrowings | 10 | — | — |
| (b) Trade Payables | 11 | 10434.15 | 7645.11 |
| (c) Other Current Liabilities | 12 | 11918.05 | 10588.32 |
| (d) Short Term Provisions | 13 | 2153.27 | 16999.53 |
| EQUITY & LIABILITIES - TOTAL | | 220622.78 | 223765.79 |
| II. ASSETS | | | |
| (1) NON-CURRENT ASSETS | | | |
| (a) Fixed Assets | | | |
| (i) Tangible Assets | 14.1 | 20201.24 | 21179.30 |
| (ii) Intangible Assets | 14.2 | — | — |
| (iii) Capital Work In Progress | 14.3 | 13226.44 | 11454.55 |
| (b) Mine Development Expenditure | 15 | 71907.21 | 57616.81 |
| (c) Non Current Investments | 16 | — | 1100.00 |
| (d) Deferred Tax Assets (net) | 7 | 5668.38 | 3790.32 |
| (e) Long-Term Loans and Advances | 17 | 5889.27 | 5753.52 |
| (f) Other Non-Current Assets | 18 | — | — |
| (2) CURRENT ASSETS | | | |
| (a) Current Investments | 19 | 300.94 | 1840.00 |
| (b) Inventories | 20 | 44244.63 | 42238.88 |
| (c) Trade Receivables | 21 | 8522.15 | 19882.61 |
| (d) Cash and Cash Equivalents | 22 | 31983.81 | 49567.05 |
| (e) Short-term Loans and Advances | 23 | 15465.22 | 6382.81 |
| (f) Other Current Assets | 24 | 3213.49 | 2959.94 |
| TOTAL ASSETS | | 220622.78 | 223765.79 |
| Corporate Information | 1 | | |
| Significant Accounting Policies | 2 | | |
| General Notes on Accounts | 35 | | |

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

For and on behalf of the Board of Directors

C.S.Singhi
Company Secretary
(M No. FCS 2570)
Place : New Delhi
Dated : 28th May, 2015

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

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

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

CA.R.N.Chattopadhyay
(M No. 066774)
Partner
Place : New Delhi
Dated : 28th May, 2015



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2015

(₹ in lac)

| PARTICULARS | NoteNo. | As at 31st March, 2015 | As at 31st March, 2014 |
|--|---------|---------------------------|---------------------------|
| INCOME | | | |
| Revenue from Operations (Gross) | 25 | 113636.73 | 162265.67 |
| Less : Excise Duty | | 12082.21 | 13377.54 |
| Revenue from Operations (Net) | | 101554.52 | 148888.13 |
| Other Income | 26 | 6689.77 | 9503.93 |
| TOTAL INCOME | | 108244.29 | 158392.06 |
| EXPENDITURE | | | |
| Cost of Materials Consumed | 27 | 3064.49 | 6682.68 |
| Changes in Inventories of Finished Goods, Semi-Finished and In-Process | 28 | (1436.79) | (4548.23) |
| Net Impact of Excise Duty on Closing Stock | | (382.88) | 277.19 |
| Employees' Benefits Expenses | 29 | 32962.98 | 36198.93 |
| Finance Cost | 30 | 68.29 | 231.85 |
| Depreciation and Amortisation Expenses | 31 | 11285.11 | 17414.09 |
| General, Administration and Other Expenses | 32 | 54502.68 | 59806.43 |
| TOTAL EXPENDITURE | | 100063.88 | 116062.94 |
| PROFIT BEFORE PRIOR PERIOD ITEMS, EXCEPTIONAL AND EXTRAORDINARY ITEMS AND TAX | | 8180.41 | 42329.12 |
| Prior Period Adjustments (net) | 33 | 135.59 | (735.78) |
| PROFIT BEFORE EXCEPTIONAL AND EXTRAORDINARY ITEMS AND TAX | | 8044.82 | 43064.90 |
| Exceptional items | | - | - |
| PROFIT BEFORE EXTRAORDINARY ITEMS AND TAX | | 8044.82 | 43064.90 |
| Extraordinary items | | - | - |
| PROFIT BEFORE TAX | | 8044.82 | 43064.90 |
| TAX EXPENSES | | 34 | |
| i) Current Tax | | 3163.04 | 14458.00 |
| iii) Deferred Tax | | (1878.06) | (35.38) |
| TOTAL TAX EXPENSES | | 1284.98 | 14422.62 |
| PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS | | 6759.84 | 28642.28 |
| Profit from discontinuing operations | | - | - |
| Tax expense of discontinuing operations | | - | - |
| PROFIT FROM DISCONTINUING OPERATIONS AFTER TAX | | - | - |
| PROFIT FOR THE YEAR | | 6759.84 | 28642.28 |
| Earning per share (Equity shares, face value of ₹ 5/- each) | | | |
| BASIC | | 0.73 | 3.10 |
| DILUTED | | 0.73 | 3.10 |

Corporate Information

1

Significant Accounting Policies

2

General Notes on Accounts

35

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

For and on behalf of the Board of Directors

C.S.Singhi

Company Secretary

(M No. FCS 2570)

Place : New Delhi

Dated : 28th May, 2015

V. V.Venugopal Rao

Director (Finance)

(DIN : 02950920)

K D Diwan

Chairman-cum-Managing Director

(DIN : 01829545)

In terms of our report of even date attached.

For A.KAYES & CO.

FRN 311149E

Chartered Accountants

CA.R.N.Chattopadhyay

(M No. 066774)

Partner

Place : New Delhi

Dated : 28th May, 2015



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2015

₹ in lac

| | Year ended 31st March 2015 | Year ended 31st March 2014 |
|---|-------------------------------|-------------------------------|
| A. CASH FLOW FROM OPERATING ACTIVITIES : | | |
| NET PROFIT/ (LOSS) BEFORE TAX AS PER PROFIT AND LOSS ACCOUNT | 8044.82 | 43064.90 |
| Adjusted for : | | |
| Depreciation | 1973.18 | 1532.67 |
| Provisions charged | 654.52 | 737.91 |
| Provisions written back | (306.21) | (1510.51) |
| Interest expense | 68.29 | 231.85 |
| Amortisation | 9311.93 | 15881.42 |
| Interest income | (4409.31) | (4793.12) |
| Dividend income | (375.68) | (326.88) |
| Prior year adjustments (net) | 135.59 | (735.78) |
| Transfer from Special reserve | (0.12) | (1.31) |
| Loss / (Profit) on disposal of fixed assets | (9.23) | 6.40 |
| OPERATING PROFIT/ (LOSS) BEFORE WORKING CAPITAL CHANGES | 15087.78 | 54087.55 |
| Adjusted for : | | |
| Decrease/ (Increase) in Trade & other Receivables | 11263.39 | (1489.71) |
| Decrease/ (Increase) in Inventories | 41.48 | (3733.28) |
| Decrease/ (Increase) in Loans, Advances and Other Current assets | (5441.36) | (460.94) |
| Increase/ (Decrease) in Trade Payables & Provisions | 9413.15 | 125.59 |
| CASH GENERATED FROM OPERATIONS | 30364.44 | 48529.21 |
| Prior period adjustments (net) | (24.34) | 735.78 |
| Taxes paid | (6592.68) | (16122.28) |
| NET CASH FROM OPERATING ACTIVITIES (A) | 23747.42 | 33142.71 |
| B. CASH FLOW FROM INVESTING ACTIVITIES : | | |
| Purchase of Fixed Assets | (15591.10) | (8864.97) |
| Sale of Fixed Assets | 34.07 | 67.77 |
| Interest received | 5119.83 | 6096.14 |
| Dividend received | 375.68 | 326.88 |
| Sale of / (Investment in) Mutual Funds | 12175.68 | (3618.30) |
| Mine Development Expenditure | (23015.32) | (19908.77) |
| NET CASH USED IN INVESTING ACTIVITIES (B) | (20901.16) | (25901.25) |
| C. CASH FLOW FROM FINANCING ACTIVITIES | | |
| Dividends paid | (9252.18) | (9252.18) |
| Tax on Dividend | (1572.41) | (1572.41) |
| Interest paid | (68.29) | (231.85) |
| NET CASH USED IN FINANCING ACTIVITIES (C) | (10892.88) | (11056.44) |
| NET INCREASE IN CASH AND CASH EQUIVALENTS (A + B + C) | (8046.62) | (3814.98) |
| CASH AND CASH EQUIVALENTS - opening balance | 40030.43 | 43845.41 |
| CASH AND CASH EQUIVALENTS - closing balance | 31983.81 | 40030.43 |
| (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 : 28th May,2015



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2015 (Contd.)

ANNEXURE - A

₹ in lac

| 1. CASH AND CASH EQUIVALENTS - opening balance | <u>01/04/2014</u> | <u>01/04/2013</u> |
|---|--------------------------|--------------------------|
| i) Cash & Bank balance | 40030.43 | 43845.41 |
| ii) Cash Credit balance | 0.00 | 0.00 |
| | <u>40030.43</u> | <u>43845.41</u> |

| CASH AND CASH EQUIVALENTS - closing balance | <u>31/03/2015</u> | <u>31/03/2014</u> |
|--|--------------------------|--------------------------|
| i) Cash & Bank balance | 31983.81 | 40030.43 |
| ii) Cash Credit balance | 0.00 | 0.00 |
| | <u>31983.81</u> | <u>40030.43</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

CA.R.N.Chattopadhyay
(M No. 066774)
Partner
Place : New Delhi
Dated : 28th May, 2015



CORPORATE INFORMATION

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

2. SIGNIFICANT ACCOUNTING POLICIES

1. BASIS OF ACCOUNTING:

The financial statements are prepared under historical cost convention from the books of account maintained under accrual basis and in accordance with the Accounting Standards issued by the Institute of Chartered Accountants of India / Companies Act 2013.

2. USE OF ESTIMATES :

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

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

3.3 FIXED ASSETS :

- 3.1 Fixed assets (Tangible) are recorded at cost net of CENVAT and VAT credit wherever applicable less accumulated depreciation and impairment loss, if any.
- 3.2 Fixed assets (Intangible) other than software are valued at acquisition cost less accumulated amortization. Software considered as intangible assets and are fully charged to revenue in the year of incurrence.
- 3.3 Pending reconciliation/receipt of the final bills against capital items, capitalization is done on the basis of cost booked and depreciation is charged accordingly. Price differences, if any, are adjusted in the year of finalization of bills.
- 3.4 In respect of expenditure during construction/development of a new unit/project in a new location, all direct capital expenditure as well as all indirect expenditure incidental to construction are capitalized allocating to various items of fixed assets on an appropriate basis. Expansion programme involving construction concurrently run with normal production activities in an existing unit, all direct capital expenditure in relation to such expansion are capitalized but indirect expenditure are charged to revenue.
- 3.5 Expenses incurred for implementation of new projects are carried forward against respective projects till execution. Expenses rendered in fruituous projects abandoned subsequently are provided for in the Statement of Profit & Loss.
- 3.6 Physical verification of Tangible fixed assets is carried out once in every three years. Shortage/excess, if any, is provided for in the year of identification.

4. DEPRECIATION :

Depreciation on (Tangible) fixed assets is provided on straight line method with reference to the useful life of fixed assets prescribed in Part C of Schedule II to the Companies Act, 2013 or actual useful life of assets, whichever is lower. Depreciation on assets acquired prior to 01.04.93 is charged on derived rates by allocating the unamortized value over the remaining life of the asset arrived at. Depreciation in respect of plant & machinery and building of new project is charged from the date of start of commercial production.

Software considered as Intangible Assets and are fully amortized in the year in which the expenses are incurred.

Assets costing ₹ 5000.00 or less individually are depreciated fully in the year in which they are put to use.

5. INVESTMENTS :

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



NOTES FORMING PART OF THE ACCOUNTS (Contd.)

6. GRANTS-IN-AID :

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

7. IMPAIRMENT OF ASSETS :

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

8. MINE DEVELOPMENT EXPENDITURE :

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

9. MAJOR OVERHAULING EXPENSES :

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

10. MINE CLOSURE EXPENDITURE :

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

11. INVENTORIES :

- 11.1 Stocks of stores and spare parts, loose tools and materials-in-transit are valued at the lower of the net realizable value and cost. The raw materials are also valued at the lower of the net realizable value and weighted average cost to the unit if the finished goods in which they will be incorporated are expected to be sold below cost. Loose tools when issued are charged off to revenue.
- 11.2 Finished goods and work-in-process are valued at the lower of the net realizable value and weighted average cost to the unit. The cost is exclusive of financing cost, such as, interest, bank charges, 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.



NOTES FORMING PART OF THE ACCOUNTS (Contd.)

- 11.3 The stock of anode slime arising from treatment and refining processes are stated at realizable value based on the year end London Metal Exchange price for gold and silver after making due adjustments of their physical recovery and the treatment and refining charges.
- 11.4 Liability for excise duty on finished goods in stock lying at works or warehouses is provided in the accounts and also considered in stock valuation.
- 11.5 The inventories out of inter-unit transfers at the close of the year are valued on the basis of cost or net realizable value whichever is lower to the transferor unit. No adjustment is made in respect of difference between the cost and transfer price for such transferred products in case of partly processed materials lying at various stages of production and finished stocks at the end of the year, since this is not practically ascertainable.
- 11.6 Imported materials are valued at the lower of the net realizable value and weighted average cost. In the event where final price is not determined valuation is made on provisional cost. Variations are accounted for in the year of finalization.
- 11.7 Provision is made in the accounts every year, for non-moving stores and spares (other than insurance spares) which have not moved for more than five years. Insurance spares are fully provided for on the expiry of the life of the relevant Plant & Machinery.
- 11.8 Scrap sales are accounted for on delivery of material.

12. CORPORATE SOCIAL RESPONSIBILITY (CSR) :

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

13. REVENUE RECOGNITION

13.1 SALES :

13.1.1 Sales are net of discounts other than cash discounts.

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

13.2 OTHER INCOME :

13.2.1 Claims :

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

13.2.2 Conversion charges :

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

13.3.3 Interest on L/C bills :

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

14. FOREIGN EXCHANGE TRANSACTIONS :

- 14.1 Foreign currency transactions on initial recognition in the reporting currency are accounted for at the exchange rates prevailing on the date of transaction.
- 14.2 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.
- 14.3 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 & Loss.



NOTES FORMING PART OF THE ACCOUNTS (Contd.)

15. RETIREMENT BENEFITS :

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

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

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

15.2. **Deficit in Provident Fund :**

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

15.3 **Voluntary Retirement Expenses :**

15.3.1 **Paid out of own fund :**

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

15.3.2 **Paid out of Government Grant :**

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

16. BORROWING COST :

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

17. ACCOUNTING FOR TAXES ON INCOME:

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

18. PROVISIONS AND CONTINGENT LIABILITIES:

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

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

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

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

19. EVENTS OCCURRING AFTER THE BALANCE SHEET DATE :

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

20. PRIOR PERIOD AND EXTRA ORDINARY ITEMS:

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

21. RESEARCH AND DEVELOPMENT EXPENDITURE :

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



NOTES FORMING PART OF THE BALANCE SHEET

(₹ in lac)

Note No. 3 SHARE CAPITAL

| PARTICULARS | As at 31st March, 2015 | | As at 31st March, 2014 | |
|--|---|-----------------|---------------------------|-----------------|
| | 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: | | | | |
| OUTSTANDING AS ON 01.04.2014 | No. of Shares | (₹ in lac) | No. of Shares | (₹ in lac) |
| | 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 31.03.2015 | 925218000 | 46260.90 | 925218000 | 46260.90 |
| 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 shareholders 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 | | | | |
| | In No. | In (%) | In No. | In (%) |
| - President of India | 832218459 | 89.95% | 832696200 | 90.00% |
| - Life Insurance Corporation of India | 48319178 | 5.22% | 47893711 | 5.18% |



NOTES FORMING PART OF THE BALANCE SHEET (Contd.)

Note No. 4 RESERVES AND SURPLUS

(₹ in lac)

| | <u>As at 31st March, 2015</u> | <u>As at 31st March, 2014</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 | 7.63 | 8.94 |
| Less: Transfer to Surplus | 0.12 | 1.31 |
| AS AT BALANCE SHEET DATE | <u>7.51</u> | <u>7.63</u> |
| c) GENERAL RESERVE | | |
| AS PER LAST BALANCE SHEET | 8958.58 | 6783.13 |
| Add: Transfer from Surplus | — | 2175.45 |
| AS AT BALANCE SHEET DATE | <u>8958.58</u> | <u>8958.58</u> |
| d) CORPORATE SOCIAL RESPONSIBILITY FUND | | |
| AS PER LAST BALANCE SHEET | 607.46 | 705.56 |
| Add: During the year | — | — |
| Less: Amount reversed during the year | — | 31.25 |
| Less: Amount used during the year | 82.77 | 66.85 |
| AS AT BALANCE SHEET DATE | <u>524.69</u> | <u>607.46</u> |
| e) SURPLUS * | <u>109235.22</u> | <u>105926.20</u> |
| TOTAL | <u>139892.24</u> | <u>136666.11</u> |
| DETAILS OF SURPLUS * | | |
| Profit for the year as per Statement of Profit and Loss | 6759.84 | 28642.28 |
| Balance brought forward | 105926.20 | 90283.96 |
| BALANCE AVAILABLE FOR APPROPRIATION | <u>112686.04</u> | <u>118926.24</u> |
| i) Transfer to General Reserve | — | 2175.45 |
| ii) Dividend : | | |
| - Interim | — | — |
| - Final | 1387.83 | 9252.18 |
| iii) Tax on Dividend | | |
| - Interim | — | — |
| - Final | 282.53 | 1572.41 |
| (iv) Depreciation charged from Retained Earning | 1780.46 | — |
| BALANCE CARRIED FORWARD | <u>109235.22</u> | <u>105926.20</u> |

Note No. 5 SHARE APPLICATION MONEY PENDING ALLOTMENT

(₹ in lac)

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



NOTES FORMING PART OF THE BALANCE SHEET (Contd.)

Note No. 6 LONG TERM BORROWINGS

(₹ in lac)

| | <u>As at 31st March, 2015</u> | <u>As at 31st March, 2014</u> |
|---|-----------------------------------|-----------------------------------|
| 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 31.03.2015 | ₹ Nil | ₹ Nil |
| Period of default in repayment of loans and interest as at 31.03.2015 | Nil | Nil |

Note No. 7 DEFERRED TAX LIABILITIES / ASSETS

| | | | |
|---|----------------|----------------|-----------------|
| i) DEFERRED TAX ASSET | | | |
| OPENING BALANCE | 8158.45 | | 7782.17 |
| Credit / (Charge) during the year | <u>1351.14</u> | | <u>376.28</u> |
| CLOSING BALANCE | | 9509.59 | 8158.45 |
| ii) DEFERRED TAX LIABILITY | | | |
| OPENING BALANCE | (4368.14) | | (4027.24) |
| Credit / (Charge) during the year | <u>526.92</u> | | <u>(340.90)</u> |
| CLOSING BALANCE | | (3841.22) | (4368.14) |
| i) - ii) DEFERRED TAX ASSETS / (LIABILITIES) (Net) | | <u>5668.38</u> | <u>3790.32</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 | | 1998.83 | 2175.35 |
| TOTAL | | <u>1998.83</u> | <u>2175.35</u> |



NOTES FORMING PART OF THE BALANCE SHEET (Contd.)

Note No. 9 LONG TERM PROVISIONS

(₹ in lac)

| | <u>As at 31st March, 2015</u> | <u>As at 31st March, 2014</u> |
|--|-----------------------------------|-----------------------------------|
| a) PROVISION FOR EMPLOYEE BENEFITS | | |
| i) PROVISION FOR LEAVE ENCASHMENT AS PER LAST BALANCE SHEET | 7855.29 | 7256.00 |
| Additions during the year | 955.93 | 599.29 |
| Amount used during the year | — | — |
| CLOSING BALANCE | <u>8811.22</u> | <u>7855.29</u> |
| ii) PROVISION FOR GRATUITY AS PER LAST BALANCE SHEET | (4424.82) | (417.78) |
| Additions during the year | 3578.94 | 2000.00 |
| Amount used during the year | — | 6007.04 |
| CLOSING BALANCE | <u>(845.88)</u> | <u>(4424.82)</u> |
| TOTAL | <u>7965.34</u> | <u>3430.47</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

Aggregate amount of loans guaranteed by directors

Aggregate amount of loans guaranteed by Others - Government of India

Amount of default in repayment of loans and interest as at 31.03.2015

Period of default in repayment of loans and interest as at 31.03.2015

| | |
|----------|----------|
| — | — |
| — | — |
| <u>—</u> | <u>—</u> |
| ₹ Nil | ₹ Nil |
| ₹ Nil | ₹ Nil |
| ₹ Nil | ₹ Nil |
| Nil | Nil |

Note No. 11 TRADE PAYABLES

| | | |
|---|------------------------|-----------------------|
| i) Total outstanding dues to Sundry Creditors-Goods | 7135.01 | 5660.31 |
| ii) Total outstanding dues to Sundry Creditors-Services | 3299.14 | 1984.80 |
| TOTAL | <u>10434.15</u> | <u>7645.11</u> |

Note No. 12 OTHER CURRENT LIABILITIES

| | | |
|-------------------------------|------------------------|------------------------|
| i) Unpaid dividend | 12.79 | 8.31 |
| ii) Deposits/ Retention money | 524.03 | 547.99 |
| iii) Statutory dues payables | 3321.55 | 3245.02 |
| iv) Other liabilities | 452.78 | 498.27 |
| v) Advances from Customers | 2688.27 | 1531.26 |
| vi) Sundry Creditors - Others | 4918.63 | 4757.47 |
| TOTAL | <u>11918.05</u> | <u>10588.32</u> |



NOTES FORMING PART OF THE BALANCE SHEET (Contd.)

Note No. 13 SHORT TERM PROVISIONS

(₹ in lac)

| | <u>As at 31st March, 2015</u> | <u>As at 31st March, 2014</u> |
|---|-----------------------------------|-----------------------------------|
| a) PROVISION FOR EMPLOYEE BENEFITS | | |
| i) PROVISION FOR LEAVE ENCASHMENT | | |
| AS PER LAST BALANCE SHEET | 646.06 | 555.79 |
| Additions during the year | 78.64 | 90.27 |
| Amount used during the year | — | — |
| CLOSING BALANCE | 724.70 | 646.06 |
| ii) PROVISION FOR GRATUITY | | |
| AS PER LAST BALANCE SHEET | 4395.70 | 407.35 |
| Additions during the year | — | 3988.35 |
| Amount used during the year | 4785.98 | — |
| CLOSING BALANCE | (390.28) | 4395.70 |
| iii) PROVISION FOR LEAVE TRAVEL CONCESSION (LTC) | | |
| AS PER LAST BALANCE SHEET | 72.47 | 57.79 |
| Additions during the year | 14.63 | 14.68 |
| Amount used during the year | — | — |
| CLOSING BALANCE | 87.10 | 72.47 |
| iv) PROVISION FOR PRP/INCENTIVE | | |
| AS PER LAST BALANCE SHEET | 500.00 | 600.00 |
| Additions during the year | 75.00 | 500.00 |
| Amount used during the year | — | 600.00 |
| CLOSING BALANCE | 575.00 | 500.00 |
| v) PROVISION FOR WAGE REVISION | | |
| AS PER LAST BALANCE SHEET | — | — |
| Additions during the year | 2598.00 | — |
| Amount used during the year | — | — |
| CLOSING BALANCE | 2598.00 | — |
| b) OTHERS | | |
| i) PROVISION FOR CURRENT TAXATION | | |
| AS PER LAST BALANCE SHEET | 63138.38 | 48680.38 |
| Additions during the year | 3163.04 | 14458.00 |
| Amount used during the year | — | — |
| CLOSING BALANCE | 66301.42 | 63138.38 |
| Less : Advance Tax paid | 71463.85 | 64871.17 |
| CLOSING BALANCE (NET OF ADVANCE TAX) | (5162.43) | (1732.79) |
| ii) PROPOSED DIVIDEND | | |
| AS PER LAST BALANCE SHEET | 9252.18 | 9252.18 |
| Additions during the year | 1387.83 | 9252.18 |
| Amount used during the year | 9252.18 | 9252.18 |
| CLOSING BALANCE | 1387.83 | 9252.18 |
| iii) TAX ON PROPOSED DIVIDEND | | |
| AS PER LAST BALANCE SHEET | 1572.41 | 1572.41 |
| Additions during the year | 282.53 | 1572.41 |
| Amount used during the year | 1572.41 | 1572.41 |
| CLOSING BALANCE | 282.53 | 1572.41 |
| iv) PROVISION - OTHERS | | |
| AS PER LAST BALANCE SHEET | 2293.50 | 2003.99 |
| Additions during the year | 4628.08 | 6972.49 |
| Amount used during the year | 4870.76 | 6682.98 |
| CLOSING BALANCE | 2050.82 | 2293.50 |
| TOTAL | 2153.27 | 16999.53 |



NOTES FORMING PART OF THE BALANCE SHEET (Contd.)

Note No. 14.1 TANGIBLE ASSETS

(₹ in lac)

| | <u>As at 31st March, 2015</u> | <u>As at 31st March, 2014</u> |
|--------------------------------------|-----------------------------------|-----------------------------------|
| ACTIVE ASSETS * | | |
| Gross Block | 86596.96 | 83506.51 |
| Less: Depreciation | 65912.75 | 61858.63 |
| Less: Impairment Loss | <u>482.97</u> | <u>468.58</u> |
| NET BLOCK | <u>20201.24</u> | <u>21179.30</u> |
| DISCARDED ASSETS ** | | |
| Gross Block | 6243.81 | 6243.81 |
| Less: Depreciation | <u>5493.37</u> | <u>5493.37</u> |
| NET BLOCK | <u>750.44</u> | <u>750.44</u> |
| Less: Provision | 750.44 | 750.44 |
| NET BLOCK (NET OF PROVISIONS) | <u>—</u> | <u>—</u> |

Note No. 14.2 INTANGIBLE ASSETS

| | | |
|--------------------|-----------------|-----------------|
| Gross Block | — | — |
| Less: Depreciation | — | — |
| NET BLOCK | <u>—</u> | <u>—</u> |

DETAILS OF ACTIVE ASSETS *

| DESCRIPTION | GROSS BLOCK | | | | | | | | | | DEPRECIATION & IMPAIRMENT LOSS | | | | NET BLOCK | | |
|--|-----------------------|----------------|---------------|---|-----------------|---|-------------------------------|---|-----------------|---|--------------------------------|---|------------------|---|------------------|----------------|---------------|
| | Cost as at 01.04.2014 | | Additions | | Deduction/ Sale | | Inter Head Transfer In/ (Out) | | During the Year | | Transfer to Impairment Loss | | Up to 31.03.2015 | | As at 31.03.2015 | | |
| | ₹ | ₹ | ₹ | ₹ | ₹ | ₹ | ₹ | ₹ | ₹ | ₹ | ₹ | ₹ | ₹ | ₹ | ₹ | ₹ | |
| Land : | | | | | | | | | | | | | | | | | |
| Free hold | 151.61 | | | | | | | | | | | | | | | 151.61 | 151.61 |
| Lease hold | 1852.68 | 896.74 | | | | | | | | | | | | | 270.58 | 2318.07 | 1582.10 |
| Buildings including Sanitary and Water Supply System | 11396.47 | 568.46 | | | | | | | | | | | | | 6498.27 | 3807.30 | 4898.20 |
| Plant, Machinery and Mining Equipment | 56870.39 | 1524.45 | 402.03 | | | | | | | | | | | | 47283.78 | 1875.43 | 378.23 |
| Furniture & Fixtures & Office Equipment | 1340.17 | 60.93 | | | | | | | | | | | | | 957.88 | 100.91 | |
| Vehicles | 927.34 | 98.50 | 20.59 | | | | | | | | | | | | 701.54 | 59.62 | 19.55 |
| Roads, Bridges and Culverts | 638.76 | 58.26 | | | | | | | | | | | | | 256.63 | 317.10 | |
| Railway Siding | 478.39 | | | | | | | | | | | | | | 115.85 | 35.03 | |
| Electrical Equipment and Installation | 4173.56 | 110.33 | | | | | | | | | | | | | 2790.09 | 238.59 | |
| Shafts and Inclines | 3677.14 | 195.40 | | | | | | | | | | | | | 3452.59 | 5.09 | |
| Total | 83506.51 | 3513.07 | 422.62 | | | | | | | | | | | | 62327.21 | 4451.90 | 397.78 |
| Previous Year | 80754.18 | 3187.69 | 1113.02 | | | | | | | | | | | | 60121.47 | 2132.23 | 1038.85 |
| Discarded Assets | 6243.81 | | | | | | | | | | | | | | 5493.37 | | |
| Less Provision | | | | | | | | | | | | | | | | | |
| Discarded Assets (net of provision) | | | | | | | | | | | | | | | | | |

Refer main Profit & Loss Account and Note No 4, 15 & 33



NOTES FORMING PART OF THE BALANCE SHEET (Contd.)



NOTES FORMING PART OF THE BALANCE SHEET (Contd.)

| DESCRIPTION | GROSS BLOCK | | | | DEPRECIATION | | NET BLOCK | |
|--|-----------------------|---|---|---------------------------------------|--|------------------------------|------------------|------------------|
| | Cost as at 01.04.2014 | During the Year Deduction/ Transfer to Sale | During the Year Inter Head Active Asset | Cost as at 01.04.2014 upto 31.03.2015 | For the year Deduction/ Transfer to Sale | Upto 31.03.2015 Active Asset | As at 31.03.2014 | As at 31.03.2014 |
| Land : | | | | | | | | |
| Free hold | 0.62 | | | 0.62 | | | 0.62 | 0.62 |
| Lease hold | 19.23 | | | 19.23 | 16.21 | | 3.02 | 3.02 |
| Buildings including Sanitary and Water Supply System | 334.90 | | | 334.90 | 153.45 | | 181.45 | 181.45 |
| Plant, Machinery and Mining Equipment | 4923.33 | | | 4923.33 | 4543.22 | | 380.11 | 380.11 |
| Vehicles | 64.02 | | | 64.02 | 59.84 | | 4.18 | 4.18 |
| Office Equipment, Hospital, Survey and Drawing Equipment | 31.40 | | | 31.40 | 25.14 | | 6.26 | 6.26 |
| Roads, Bridges and Culverts | 37.01 | | | 37.01 | 12.08 | | 24.93 | 24.93 |
| Electrical Equipment and Installation | 217.91 | | | 217.91 | 159.74 | | 58.17 | 58.17 |
| Shafts and Inclines | 615.39 | | | 615.39 | 523.69 | | 91.70 | 91.70 |
| Total | 6243.81 | — | — | 6243.81 | 5493.37 | — | 750.44 | 750.44 |
| Less Provision | | | | | | | 750.44 | 750.44 |
| Discarded Assets (net of provision) | | | | | | | — | — |

DETAILS OF DISCARDED ASSETS **

₹ in Lac



NOTES FORMING PART OF THE BALANCE SHEET (Contd.)

Note No. 14.3 CAPITAL WORK IN PROGRESS

(₹ in lac)

| | <u>As at 31st March, 2015</u> | <u>As at 31st March, 2014</u> |
|-------------------------------------|-----------------------------------|-----------------------------------|
| i) Plant & Machinery | 3957.61 | 3893.08 |
| ii) Others including Mine Expansion | 12661.74 | 10954.38 |
| | <u>16619.35</u> | <u>14847.46</u> |
| Less: Provision | 3392.91 | 3392.91 |
| TOTAL | <u>13226.44</u> | <u>11454.55</u> |

Note No. 15 MINE DEVELOPMENT EXPENDITURE

| | | |
|---|------------------------|------------------------|
| As per Last Balance Sheet | 62281.67 | 57746.10 |
| Add: Expenditure during the Year (as per Note Below) | <u>23602.33</u> | <u>20416.98</u> |
| | 85884.00 | 78163.08 |
| Less: Amortisation during the Year | <u>9311.93</u> | <u>15881.41</u> |
| | 76572.07 | 62281.67 |
| Less: Provision | 4664.86 | 4664.86 |
| TOTAL | <u>71907.21</u> | <u>57616.81</u> |

Note: MINE DEVELOPMENT EXPENDITURE DURING THE YEAR

| | | |
|---|------------------------|------------------------|
| i) Salaries, Wages, Allowances | 3250.03 | 3074.09 |
| ii) Contribution to Provident & Other Funds | 299.18 | 272.46 |
| iii) Workmen & Staff Welfare Expenses | 224.89 | 197.69 |
| iv) Gratuity | 215.55 | 882.24 |
| v) Stores, Spares & Tools Consumed | 5791.75 | 4903.48 |
| vi) Power, Fuel & Water | 546.80 | 486.08 |
| vii) Royalty | - | - |
| viii) Repair & Maintenance | 3910.73 | 4510.56 |
| ix) Insurance | 2.69 | 2.41 |
| x) Overburden Removal Expenditure | 7543.50 | 5352.27 |
| xi) Depreciation | 587.01 | 508.21 |
| xii) Other Expenses | 1230.20 | 227.49 |
| TOTAL | <u>23602.33</u> | <u>20416.98</u> |

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

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



NOTES FORMING PART OF THE BALANCE SHEET (Contd.)

Note No. 16 NON-CURRENT INVESTMENTS

(₹ in lac)

| | As at 31st March, 2015 | As at 31st March, 2014 |
|--|---------------------------|---------------------------|
| i) Non Trade Investment in Debentures | 0.17 | 0.17 |
| Less : Provision for diminution in value | 0.17 | 0.17 |
| | — | — |
| ii) INVESTMENTS IN MUTUAL FUNDS (Maturity above 12 months) : | | |
| SBI MAGNUM INCOME FUND - GROWTH | — | 900.00 |
| CANARA REBECO DYNAMIC BOND FUND - GROWTH | — | 200.00 |
| TOTAL | — | 1100.00 |
| AGGREGATE BOOK VALUE - UNQUOTED | Nil | Nil |
| AGGREGATE BOOK VALUE - QUOTED | — | 1100.00 |
| MARKET PRICE OF QUOTED INVESTMENT | — | 1121.27 |

Note No. 17 LONG TERM LOANS AND ADVANCES

| | | |
|---|----------------|----------------|
| a) CAPITAL ADVANCES | | |
| i) Secured (considered good) | 2417.95 | 2611.81 |
| ii) Unsecured (considered good) | | |
| - Against Bank Guarantee | — | — |
| - Others | — | — |
| iii) Unsecured (considered doubtful) | 0.02 | 0.02 |
| Less: Provisions for Capital Advances * | 0.02 | 0.02 |
| | — | — |
| b) OTHER LOANS & ADVANCES | | |
| i) Employees (including accrued interest) | | |
| - Secured (considered good) | 3.65 | 2.86 |
| - Unsecured (considered good) | — | — |
| - Unsecured (considered doubtful) | — | — |
| ii) Other Advances | | |
| - Unsecured (considered doubtful) | — | — |
| Less: Provision for Other Loans & Advances ** | — | — |
| | — | — |
| c) DEPOSITS | 3500.42 | 3168.93 |
| Less: Provisions for Deposits *** | 32.75 | 30.08 |
| | — | — |
| TOTAL | 5889.27 | 3138.85 |
| PROVISIONS FOR CAPITAL ADVANCES * | | |
| OPENING BALANCE | 0.02 | 0.02 |
| Additions during the year | — | — |
| Amount used during the year | — | — |
| CLOSING BALANCE | 0.02 | 0.02 |
| PROVISIONS FOR OTHER LOANS & ADVANCES ** | | |
| OPENING BALANCE | — | — |
| Additions during the year | — | — |
| Amount used during the year | — | — |
| CLOSING BALANCE | — | — |
| PROVISIONS FOR DEPOSITS *** | | |
| OPENING BALANCE | 30.08 | 30.08 |
| Additions during the year | 2.67 | — |
| Amount used during the year | — | — |
| CLOSING BALANCE | 32.75 | 30.08 |

PARTICULARS OF LOANS AND ADVANCES DUE FROM DIRECTORS

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



NOTES FORMING PART OF THE BALANCE SHEET (Contd.)

Note No. 18 OTHER NON-CURRENT ASSETS

(₹ in lac)

| | <u>As at 31st March, 2015</u> | <u>As at 31st March, 2014</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

| | | |
|--|---------------|----------------|
| INVESTMENTS IN MUTUAL FUNDS (Maturity within 12 months) : | — | |
| UTI FIXED TERM INCOME FUND - XVI - I - 366 DAYS- GROWTH | — | 300.00 |
| UTI FIXED TERM INCOME FUND SERIES XVII-V (366DAYS) - GROWTH | — | 200.00 |
| UTI FIXED TERM INCOME FUND SERIES XVIII-VII (368DAYS)- GROWTH | 100.00 | — |
| SBI SDFS 366 DAYS - 38 - GROWTH | — | 190.00 |
| SBI SDFS 366 DAYS - 45 - GROWTH | — | 200.00 |
| SBI SDFS 366 DAYS - 50 - GROWTH | — | 200.00 |
| SBI TREASURY ADVANTAGE - GROWTH | 200.94 | — |
| IDBI FMP 385 DAYS SERIES III-(March 2013) - B GROWTH | — | 200.00 |
| IDBI FMP SERIES III - 370 DAYS - (August- 2013) - I GROWTH | — | 200.00 |
| IDBI FMP SERIES IV - 368 DAYS - FEBRUARY 2014 - C GROWTH | — | 150.00 |
| IDBI FMP SERIES IV - 366 DAYS - FEBRUARY 2014 - E GROWTH | — | 200.00 |
| TOTAL | <u>300.94</u> | <u>1840.00</u> |
| AGGREGATE BOOK VALUE - UNQUOTED | <u>Nil</u> | <u>1840.00</u> |
| AGGREGATE BOOK VALUE - QUOTED | <u>300.94</u> | <u>Nil</u> |
| MARKET PRICE OF QUOTED INVESTMENT | <u>310.15</u> | <u>Nil</u> |

Note No. 20 INVENTORIES

(VALUATION AS PER ACCOUNTING POLICY NO. 11)

| | | | |
|---|----------|-----------------|-----------------|
| i) Raw Materials | 15.75 | | — |
| ii) Semi-Finished and In-Process (at lower of cost or net realisable value) | 35900.87 | | 34871.45 |
| Less: Provision for Semi-Finished and In-Process * | 136.27 | 35764.60 | 136.27 |
| iii) Finished Goods (at lower of cost or net realisable value) | | 1284.84 | 877.47 |
| iv) Stores and spares | 7516.99 | | 7403.59 |
| Stores in transit/ pending inspection | 2299.41 | | 1605.83 |
| | 9816.40 | | 9009.42 |
| Less: Provision for Obsolete Stores & Spares ** | 2636.96 | 7179.44 | 2384.78 |
| v) Loose tools | | — | 1.59 |
| TOTAL | | <u>44244.63</u> | <u>42238.88</u> |
| PROVISION FOR SEMI-FINISHED AND IN-PROCESS * | | | |
| OPENING BALANCE | | 136.27 | 118.48 |
| Additions during the year | | — | 17.79 |
| Amount used during the year | | — | — |
| CLOSING BALANCE | | <u>136.27</u> | <u>136.27</u> |
| PROVISION FOR OBSOLETE STORES & SPARES ** | | | |
| OPENING BALANCE | | 2384.78 | 3080.35 |
| Additions during the year | | 320.19 | 259.42 |
| Amount used during the year | | 68.01 | 954.99 |
| CLOSING BALANCE | | <u>2636.96</u> | <u>2384.78</u> |



NOTES FORMING PART OF THE BALANCE SHEET (Contd.)

Note No. 21 TRADE RECEIVABLES (DEBTORS)

(₹ in lac)

| | <u>As at 31st March, 2015</u> | <u>As at 31st March, 2014</u> |
|---|-----------------------------------|-----------------------------------|
| a) DEBTS OUTSTANDING | | |
| i) - Secured - Considered good | 8522.15 | 19882.61 |
| ii) - Unsecured - Considered good | — | — |
| iii) - Considered doubtful and provided | 521.86 | 424.79 |
| | <u>9044.01</u> | <u>20307.40</u> |
| Less: Provision for doubtful debts * | <u>521.86</u> | <u>424.79</u> |
| TOTAL | <u>8522.15</u> | <u>19882.61</u> |
| PROVISION FOR DOUBTFUL DEBTS * | | |
| OPENING BALANCE | 424.79 | 367.16 |
| Additions during the year | 99.21 | 57.63 |
| Amount used during the year | 2.14 | — |
| CLOSING BALANCE | <u>521.86</u> | <u>424.79</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 CASH EQUIVALENTS

A) CASH AND CASH EQUIVALENTS

| | | |
|-----------------------------|---------|---------|
| i) Balances with banks | 1612.49 | 1769.35 |
| ii) Cheques, drafts on hand | — | — |
| iii) Cash on hand | 7.10 | 3.50 |

B) OTHER BANK BALANCES

| | | |
|--|----------|----------|
| i) Bank deposits upto 3 months maturity from date of original investment | | |
| With scheduled banks | 2200.00 | — |
| With other banks | — | — |
| ii) Bank deposits with more than 3 months and upto 12 months maturity | | |
| With scheduled banks | 11573.00 | 33254.14 |
| With other banks | — | — |
| iii) Bank deposits with more than 12 months maturity | | |
| With scheduled banks | 9771.13 | 4995.13 |
| With other banks | — | — |
| iv) Deposit account-Unpaid Dividend | 12.79 | 8.31 |

C) INVESTMENTS IN MUTUAL FUNDS (Maturity within 3 months from the date of original investment) :

| | | |
|--|------------------------|------------------------|
| UTI MONEY MARKET - DIVIDEND | — | 1001.56 |
| UTI BANKING & PSU FUND - DIVIDEND | — | 604.01 |
| UTI MONEY MARKET - GROWTH | 500.00 | — |
| SBI PREMIER LIQUID FUND - DIVIDEND | — | 2034.65 |
| SBI DEBT FUND SERIES A -8 - 30 DAYS - GROWTH | — | 250.00 |
| SBI MICF LIQUID FLOATER - DIVIDEND | — | 2007.67 |
| SBI MAGNUM INCOME FUND FR SAVINGS PLUS BOND - GROWTH | — | 300.00 |
| SBI PREMIER LIQUID FUND - GROWTH | 500.00 | — |
| SBI TREASURY ADVANTAGE - GROWTH | 504.20 | — |
| SBI MICF LIQUID FLOATER - GROWTH | 402.09 | — |
| SBI MICF - GROWTH | 1500.00 | — |
| CANARA REBECO LIQUID FUND - DIVIDEND | — | 1536.50 |
| CANARA ROBECO FLOATING RATE - DIVIDEND | — | 800.48 |
| CANARA REBECO LIQUID FUND - GROWTH | 300.00 | — |
| CANARA REBECO SAVINGS PLUS FUND - GROWTH | 1301.01 | — |
| IDBI LIQUID FUND - DIVIDEND | — | 1001.75 |
| IDBI ULTRA SHORT TERM FUND- GROWTH | 300.00 | — |
| IDBI LIQUID FUND - GROWTH | 1500.00 | — |
| TOTAL | <u>31983.81</u> | <u>49567.05</u> |
| AGGREGATE BOOK VALUE - UNQUOTED | <u>3901.01</u> | <u>604.01</u> |
| AGGREGATE BOOK VALUE - QUOTED | <u>2906.29</u> | <u>Nil</u> |
| MARKET PRICE OF QUOTED INVESTMENT | <u>2909.32</u> | <u>Nil</u> |



NOTES FORMING PART OF THE BALANCE SHEET (Contd.)

Note No. 23 SHORT TERM LOANS AND ADVANCES

| | (₹ in lac) | |
|--|--------------------|--------------------|
| | <u>As at 31st</u> | <u>As at 31st</u> |
| | <u>March, 2015</u> | <u>March, 2014</u> |
| A) LOANS | | |
| i) - Employees (including accrued interest) | — | — |
| ii) - Others | — | — |
| | <hr/> | <hr/> |
| B) ADVANCES | | |
| i) Employees | | |
| - Unsecured (considered good) | 78.73 | 105.09 |
| - Unsecured (considered doubtful) | 2.03 | 2.03 |
| | <hr/> | <hr/> |
| | 80.76 | 107.12 |
| ii) Advances to contractors / suppliers | | |
| - Secured (considered good) | — | — |
| - Unsecured (considered good) | — | — |
| - Against Bank Guarantee | — | — |
| - Others | 1868.28 | 2939.31 |
| - Unsecured (considered doubtful) | 179.07 | 108.11 |
| | <hr/> | <hr/> |
| | 2047.35 | 3047.42 |
| iii) Other Advances | | |
| - Unsecured (considered good) | 11216.80 | 558.27 |
| - Unsecured (considered doubtful) | 132.78 | 103.59 |
| | <hr/> | <hr/> |
| | 11349.58 | 661.86 |
| | <hr/> | <hr/> |
| | 13477.69 | 3816.40 |
| Less : Provision for Doubtful Loans and Advances * | 313.88 | 213.73 |
| | <hr/> | <hr/> |
| | 13163.81 | 3602.67 |
| C) DEPOSITS | | |
| Deposits | 2321.27 | 2800.00 |
| Less : Provision for Doubtful Deposits ** | 19.86 | 19.86 |
| | <hr/> | <hr/> |
| | 2301.41 | 2780.14 |
| TOTAL | <hr/> | <hr/> |
| | 15465.22 | 6382.81 |
| DETAILS OF PROVISIONS | | |
| PROVISION FOR DOUBTFUL LOANS AND ADVANCES * | | |
| OPENING BALANCE | 213.73 | 200.89 |
| Additions during the year | 100.15 | 12.88 |
| Amount used during the year | — | 0.04 |
| CLOSING BALANCE | <hr/> | <hr/> |
| | 313.88 | 213.73 |
| PROVISION FOR DOUBTFUL DEPOSITS ** | | |
| OPENING BALANCE | 19.86 | — |
| Additions during the year | — | 19.86 |
| Amount used during the year | — | — |
| CLOSING BALANCE | <hr/> | <hr/> |
| | 19.86 | 19.86 |
| Explanatory Note: - | | |
| PARTICULARS OF LOANS AND ADVANCES DUE FROM DIRECTORS | | |
| i) Amount due at the end of the year | ₹ Nil | ₹ Nil |
| ii) Advance due by firms or private companies in which any Director of the Company is a Partner or a director or a member amounts to ₹ Nil (Previous year ₹ Nil) | | |



NOTES FORMING PART OF THE BALANCE SHEET

Note No. 24 OTHER CURRENT ASSETS

(₹ in lac)

| | <u>As at 31st March, 2015</u> | <u>As at 31st March, 2014</u> |
|---|-----------------------------------|-----------------------------------|
| a) INTEREST ACCRUED ON | | |
| i) LC from Customers | 38.32 | 17.25 |
| ii) Investments | — | — |
| iii) Deposits | 1336.00 | 2063.36 |
| iv) Others | 12.10 | 16.33 |
| | | |
| b) OTHER CURRENT ASSETS | | |
| i) Other Current Assets | 216.45 | 248.58 |
| Less: Provision for Other Current Assets * | <u>3.52</u> | <u>3.52</u> |
| | 212.93 | 245.06 |
| | | |
| c) CLAIMS RECOVERABLE | | |
| i) Claims recoverable from different agencies | 1789.94 | 793.74 |
| Less: Provision for Doubtful Claims ** | <u>175.80</u> | <u>175.80</u> |
| | 1614.14 | 617.94 |
| | | |
| d) OTHER RECOVERABLES | | |
| i) Other Recoverables | — | — |
| | | |
| TOTAL | <u>3213.49</u> | <u>2959.94</u> |
| | | |
| DETAILS OF PROVISIONS | | |
| PROVISION FOR OTHER CURRENT ASSETS * | | |
| OPENING BALANCE | 3.52 | 3.52 |
| Additions during the year | — | — |
| Amount used during the year | <u>—</u> | <u>—</u> |
| CLOSING BALANCE | <u>3.52</u> | <u>3.52</u> |
| | | |
| PROVISION FOR DOUBTFUL CLAIMS ** | | |
| OPENING BALANCE | 175.80 | 175.99 |
| Additions during the year | — | — |
| Amount used during the year | <u>—</u> | <u>0.19</u> |
| CLOSING BALANCE | <u>175.80</u> | <u>175.80</u> |



NOTES FORMING PART OF THE STATEMENT OF PROFIT & LOSS

Note No. 25 REVENUE FROM OPERATIONS

| | As at 31st March, 2015 | (₹ in lac) As at 31st March, 2014 |
|-------------------------------------|-----------------------------------|--|
| SALE OF PRODUCTS | | |
| - Domestic | 110708.50 | 122192.48 |
| - Export | 2040.89 | 39397.53 |
| | <u>112749.39</u> | <u>161590.01</u> |
| Less : Discount & Rebate | 183.61 | 239.06 |
| SALES (Net of Discounts) (A) | 112565.78 | 161350.95 |
| SALE OF SERVICES (B) | 126.70 | 347.37 |
| OTHER OPERATING REVENUES (C) | 944.25 | 567.35 |
| TOTAL (A+B+C) | 113636.73 | 162265.67 |

Note No. 26 OTHER INCOME

A) TRADE

| | | |
|------------------------------------|---------------|---------------|
| - Interest received from Customers | 593.62 | 427.48 |
| - Claims | 132.57 | 125.52 |
| SUB TOTAL (A) | 726.19 | 553.00 |

B) NON-TRADE

| | | |
|--------------------------------|----------------|----------------|
| - Dividend income -Mutual Fund | 375.68 | 326.88 |
| - Interest from Term Deposits | 3341.78 | 3760.83 |
| - Interest - Others | 473.91 | 604.81 |
| SUB TOTAL (B) | 4191.37 | 4692.52 |

C) OTHER INCOME

| | | |
|--|----------------|----------------|
| - Profit on sale of Assets | 9.23 | — |
| - Provisions not required written back # | 306.21 | 1510.51 |
| - Profit on Sale of Investment | 293.48 | 361.98 |
| - Penalty & Liquidated Damages | 559.24 | 812.87 |
| Less : Refunded during the year | <u>355.03</u> | <u>—</u> |
| | 204.21 | 812.87 |
| - Exchange Rate Variation | — | 10.46 |
| - Transfer from Special Reserve | 0.12 | 1.30 |
| - Others | 958.96 | 1561.29 |
| SUB TOTAL (C) | 1772.21 | 4258.41 |
| TOTAL (A+B+C) | 6689.77 | 9503.93 |

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 | 2.14 | — |
| 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 |
| 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 PF Trust Liability No Longer Required | 28.50 | — |
| Excess provision of non-moving stores | 89.71 | 493.28 |
| 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 |
| Provision for Sales Tax on Anode Slime No Longer Required | 151.21 | — |
| Old Liability no longer required | 34.65 | 151.41 |
| Provision for Entry Tax | — | 289.10 |
| TOTAL | 306.21 | 1510.51 |



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

Note No. 27 COST OF MATERIALS CONSUMED

(₹ in lac)

| | <u>As at 31st March, 2015</u> | <u>As at 31st March, 2014</u> |
|------------------------|-----------------------------------|-----------------------------------|
| Raw Materials Consumed | 3064.49 | 6682.68 |
| TOTAL | <u>3064.49</u> | <u>6682.68</u> |

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

A. OPENING STOCK:

| | | |
|------------------------------|------------------------|------------------------|
| Finished Goods | 877.47 | 1088.02 |
| Semi-Finished and In-Process | 34871.45 | 30112.67 |
| TOTAL OPENING STOCK | <u>35748.92</u> | <u>31200.69</u> |

B. CLOSING STOCK:

| | | |
|-----------------------------------|-------------------------|-------------------------|
| Finished Goods | 1284.84 | 877.47 |
| Semi-Finished and In-Process | 35900.87 | 34871.45 |
| TOTAL CLOSING STOCK | <u>37185.71</u> | <u>35748.92</u> |
| (INCREASE)/ DECREASE (A-B) | <u>(1436.79)</u> | <u>(4548.23)</u> |

Note No. 29 EMPLOYEES' BENEFITS EXPENSES

| | | |
|---|------------------------|------------------------|
| Salaries, Wages & Allowances | 29586.81 | 27052.33 |
| Bonus/Ex-gratia/Performance Related Pay | 548.35 | 870.28 |
| Contribution to Provident & Other Funds | 2342.71 | 2264.70 |
| Workmen & Staff Welfare Expenses | 1529.23 | 1616.28 |
| Gratuity | (1044.12) | 4395.34 |
| TOTAL | <u>32962.98</u> | <u>36198.93</u> |

Explanatory Note: -

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

| | | |
|--|----------------------|----------------------|
| (i) Salaries & Allowances | 147.61 | 148.41 |
| (ii) Contribution to Provident & Other Funds | 11.02 | 9.39 |
| (iii) Re-imbursment of Medical Expenses | 0.19 | 0.51 |
| (iv) Leave Encashment | 7.60 | 5.12 |
| TOTAL | <u>166.42</u> | <u>163.43</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.



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

Note No. 30 FINANCE COST

(₹ in lac)

| | <u>As at 31st March, 2015</u> | <u>As at 31st March, 2014</u> |
|---------------------------|-----------------------------------|-----------------------------------|
| - Interest on Cash Credit | 0.83 | 2.02 |
| - Others | 67.46 | 229.83 |
| TOTAL | <u>68.29</u> | <u>231.85</u> |

Note No. 31 DEPRECIATION AND AMORTISATION EXPENSES

A. DEPRECIATION

| | | |
|--|-----------------------|-----------------------|
| Depreciation for the year | 4451.90 | 2132.23 |
| Less: Depreciation transferred to Mine Development Expenditure | 587.01 | 508.21 |
| Less: Depreciation transferred to Mine Expansion | - | 91.34 |
| Less: Depreciation transferred to Prior Period | 111.25 | - |
| Less: Depreciation transferred to Retained Earning | 1780.46 | - |
| SUB TOTAL (A) | <u>1973.18</u> | <u>1532.68</u> |

B. AMORTISATION

| | | |
|--------------------------------|------------------------|------------------------|
| Amortisation during the year * | 9311.93 | 15881.41 |
| SUB TOTAL (B) | <u>9311.93</u> | <u>15881.41</u> |
| TOTAL (A+B) | <u>11285.11</u> | <u>17414.09</u> |

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



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

Note No. 32 GENERAL, ADMINISTRATION AND OTHER EXPENSES

(₹ in lac)

| | <u>As at 31st March, 2015</u> | <u>As at 31st March, 2014</u> |
|---|-----------------------------------|-----------------------------------|
| A. OTHER MANUFACTURING EXPENSES | | |
| - Stores ,Spares& Tools Consumed | 9667.63 | 10318.93 |
| - Consumption of Power, Fuel & Water | 17610.60 | 19014.80 |
| - Royalty, Cess & Decretal amount | 5332.57 | 6702.67 |
| - Contractual Job for Process | 4456.49 | 3422.02 |
| - Handling & Transportation | 3634.97 | 4708.87 |
| - Tolling Charges | 4373.12 | 4712.79 |
| SUB TOTAL (A) | <u>45075.38</u> | <u>48880.08</u> |
| B. REPAIRS & MAINTENANCE | | |
| - Building | 283.17 | 157.96 |
| - Machinery | 2466.62 | 2041.53 |
| - Others | 634.52 | 597.60 |
| SUB TOTAL (B) | <u>3384.31</u> | <u>2797.09</u> |
| C. MAJOR OVERHAUL EXPENSES | — | 1797.88 |
| D. ADMINISTRATION EXPENSES | | |
| - Insurance | 99.40 | 130.78 |
| - Rent | 136.48 | 111.26 |
| - Rates and Taxes | 1436.04 | 1551.11 |
| - Security Expenses | 472.30 | 557.88 |
| - Travelling and Conveyance | 427.00 | 484.97 |
| - Telephone, Telex and Postage | 100.30 | 89.96 |
| - Advertisement and Publicity | 168.79 | 225.82 |
| - Printing and Stationery | 54.14 | 60.36 |
| - Books & Periodicals | 2.31 | 2.82 |
| - Consultancy Charges - Indigenious | 339.54 | 213.65 |
| - Loss on Sale of Assets | — | 6.40 |
| - Loss on Sale of Stores | 3.87 | 0.57 |
| - Corporate Social Responsibility Expenses | 643.67 | 711.00 |
| - Hire Charges | 256.37 | 394.10 |
| - Audit Expenses (Refer detail below at Sl 1) | 42.46 | 37.43 |
| - Director Expenses (Refer below at Sl 2) | 11.07 | 6.96 |
| - Other General Expenses | 1194.73 | 1008.40 |
| SUB TOTAL (D) | <u>5388.47</u> | <u>5593.47</u> |



NOTES FORMING PART OF THE STATEMENT OF PROFIT & LOSS

| | (₹ in lac) | |
|--|-----------------------------------|-----------------------------------|
| | <u>As at 31st March, 2015</u> | <u>As at 31st March, 2014</u> |
| E. PROVISIONS (Refer detail below at Sl 3) | 654.52 | 737.91 |
| TOTAL (A+B+C+D+E) | 54502.68 | 59806.43 |
| Explanatory Note: - | | |
| 1) Detail of Audit Expenses are as under: - | | |
| i) Statutory Auditors | | |
| As Auditor | | |
| - Statutory Audit Fees | 8.79 | 7.92 |
| - Tax Audit Fees | 1.10 | 1.96 |
| In Other Capacity | | |
| - Other Matters / Services | 10.29 | 10.17 |
| Reimbursement of Expenses | 15.19 | 10.33 |
| ii) Cost Auditors | | |
| - Cost Audit Fees | 0.56 | 0.53 |
| - Reimbursement of Expenses | 0.09 | 0.36 |
| iii) Internal Auditors | | |
| - Audit Fees | 1.89 | 1.58 |
| - Reimbursement of expenses | 4.55 | 4.58 |
| TOTAL | 42.46 | 37.43 |
| 2) Sitting fees to Independent Directors | 11.07 | 6.96 |
| 3) Detail of Provisions are as under: - | | |
| Doubtful debts | 99.21 | 57.63 |
| Doubtful advances / deposits | 100.35 | 12.85 |
| Prov. For EMD | — | 19.86 |
| Prov. For Obsolete /Non-moving Stores | 394.79 | 10.52 |
| Prov. For Impairment Loss | 14.39 | 468.58 |
| Interest on MSMED | 45.78 | 49.90 |
| Prov. For Feasibility Study | — | 1.70 |
| Provision for Fixed Assets/ Stores | — | 90.29 |
| Provision for WIP | — | 17.79 |
| Provision for Others | — | 8.79 |
| TOTAL | 654.52 | 737.91 |
| Note No. 33 PRIOR PERIOD ADJUSTMENTS (NET) | | |
| A. INCOME | | |
| Interest Received | — | 10.61 |
| Sale of Products | (71.27) | — |
| Others | 73.37 | 769.48 |
| SUB TOTAL (A) | 2.10 | 780.09 |
| B. EXPENDITURE | | |
| Repair & Maintenance | — | 0.92 |
| Depreciation | 111.25 | 18.05 |
| Others | 47.21 | 25.34 |
| Raw Material Consumption | (20.77) | — |
| SUB TOTAL (B) | 137.69 | 44.31 |
| TOTAL | 135.59 | (735.78) |
| Note No. 34 TAX EXPENSES | | |
| CURRENT TAX | | |
| Income Tax Provision | 3163.04 | 14458.00 |
| Deferred Tax Account | (1878.06) | (35.38) |
| TOTAL | 1284.98 | 14422.62 |



NOTES FORMING PART OF THE ACCOUNTS

35 GENERAL NOTES ON ACCOUNTS

(₹ in lac)

| | <u>Year</u> <u>2014-15</u> | <u>Year</u> <u>2013-14</u> |
|---|-------------------------------|-------------------------------|
| 1. (i) Contingent Liabilities not provided for in respect of :- | | |
| a. Estimated amount of commitments | | |
| i. Unexecuted Capital Contract (Net of advances and deposits) | 178366.00 | 895.60 |
| b. Other money for which the company is contingently liable (Claim against the company not acknowledged as debt) | | |
| i. Disputed VAT / CST / Entry Tax / Property Tax Demand | 2838.59 | 2949.05 |
| ii. Disputed Excise Duty | 4746.84 | 3533.88 |
| iii. Disputed Income Tax | 4538.86 | 3767.36 |
| iv. Other Demand | 41066.98 | 40855.54 |
| TOTAL | 53191.27 | 51105.83 |

(ii) LITIGATION

VAT/CST/ENTRY TAX/PROPERTY TAX

There are 13 demand notices totaling to Gross Demand of ₹ 2838.59 lac (Previous Year ₹ 2949.05 lac) from various State Tax Authorities regarding VAT/CST/Entry Tax/Property Tax. The company is contesting the demand and the management including the legal advisor believes that its position will likely be upheld in the appellate process. The company also believes that ultimate outcome of these proceedings will not have a material adverse effect on the financial position of the company.

EXCISE DUTY

There are 24 demand notices totaling to Gross Demand of ₹ 4746.84 lac (Previous Year ₹ 3533.88 lac) from Central Excise Authorities regarding Excise Duty. The company is contesting the demand and the management including the legal advisor believes that its position will likely be upheld in the appellate process. The company also believes that ultimate outcome of these proceedings will not have a material adverse effect on the financial position of the company.

INCOME TAX

There are 6 Income Tax demand notices totaling to Gross Demand of ₹ 4538.86 lac (Previous Year ₹ 3767.36 lac) before the Commissioner of Income Tax (Appeal). The company is contesting the demand and the management including the income tax consultant believes that its position will likely be upheld in the appellate process. The company also believes that ultimate outcome of these proceedings will not have a material adverse effect on the financial position of the company.

OTHER DEMAND of ₹ 41066.98 lac (Previous Year ₹ 40855.54 lac)

The major pending litigation cases are as follows :

- a. 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



NOTES FORMING PART OF THE ACCOUNTS (Contd.)

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 shown as 'Deposits with Court' and also ordered that the matter may be heard on the ground of merit by the Civil Court, Baihar. Further a demand of ₹ 18867.56 lac for the 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 amount of ₹ 25914.20 lac has been disclosed under 'Contingent Liability'.

- b. 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 of ₹ 7008.00 lac has been disclosed under 'Contingent Liability'.
- c. 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'.
- d. There was a trade dispute with M/S Bhagawati Gases Ltd (BGL) in connection with an agreement to supply of gaseous oxygen at Khetri Copper Complex. The dispute was referred to Arbitration. The claim of BGL is for an amount of ₹ 1079.80 lac with a corresponding counter claim of ₹ 534.62 lac on the part of the company. The arbitral award has gone against the company. The company has filed an appeal before the Jhunjhunu District Court, Rajasthan, and the same was admitted for hearing. Pending final decision, the said amount of ₹ 1079.80 lac has been disclosed under 'Contingent Liability'.
- e. There was a demand from M/S Uttkal Moulders amounting to ₹ 1662.72 lac regarding interest for delayed payment against supply of grinding media balls at Malanjkhanda Copper Project. The case is pending before Sole Arbitrator. Pending final decision, the said amount of ₹ 1662.72 lac has been disclosed under 'Contingent Liability'.
- f. In addition there are number of pending litigation cases against the company claiming demand of ₹ 4369.79 lac by retired employees, third parties etc. which the company is contesting before different Legal Forums / Courts.

The company is contesting the above demands and the management including the legal advisor believes that its position will likely be upheld in the appellate process. The company also believes that ultimate outcome of these proceedings will not have a material adverse effect on the financial position of the company.

2. During the year, the company has made a provision amounting to ₹ 75.00 lac towards Performance Related Pay payable to the executives for F.Y. 2014-15 which is shown under 'Employees' Benefit Expenses'.
3. In the absence of lease agreements with the State Government in respect of certain leasehold lands, the amortization has been 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.



NOTES FORMING PART OF THE ACCOUNTS (Contd.)

4. Lease premium paid for land for mining purposes including payment for Net Present Value (NPV) of forest area paid to forest department is capitalized under the head Leasehold Land.
5. The commercial operation of Smelter, Refinery and Sulphuric Acid Plant at Khetri Copper Complex 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 total sum of ₹ 482.97 lac including ₹ 14.39 lac during the year 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. Total inventory valued ₹ 834.34 lac after provision of ₹ 17.79 lac which remained as process material in the above Plant is included in the Inventory of the company. The management is of the opinion that such inventories consisting mainly of metal content are realizable at least at the book value.
6. The title deeds are yet to be executed in respect of office flat at SCOPE Complex, Delhi and Jaipur office having book value of ₹ 78.59 lac (Previous year ₹ 83.85 lac).
7. At ICC, Pollution Control Plant under Package I & III amounting to ₹ 2100.50 lac have not been capitalized for want of completion of trial / guarantee run as per terms of contract. As a matter of prudence, full provision for the same has been made in the accounts to take care of efflux of time over the years.
8. During the year, the company has entered into an agreement of acquiring Plant & Machinery including Leasehold Land of Jhagadia Copper Limited (JCL) through Asset Reconstruction Company (India) Ltd. (ARCIL) at a value of ₹ 21000.00 lac through auction process out of which the company has paid ₹ 10500.00 lac during the year and the balance amount is agreed to be paid in next financial year. The JCL Plant has facilities for manufacture of 50,000 tonnes per annum of LME 'A' grade Copper Cathodes by secondary smelting process.
9. Confirmation letters of majority of balances under the heads Sundry Creditors, Claims Recoverable, Loans & Advances and Sundry Debtors have been sent but in number of cases such confirmation letters from the parties are awaited.
10. Like last year, considering the present scenario of MCP mines and to sustain the planned production, management during the year also decided to process the lean ore along with the normal ore produced from the mine. At the end of the year, the value of closing lean ore was ₹ 5446.19 lac, (Quantity 25.61 lac tonne) (Previous Year Quantity 27.50 lac tonne valuing ₹ 6543.29 lac). The physical verification of lean ore has been conducted by the Malanjkhand Mining Department.
11. During the year, the company has utilized a sum of ₹ 726.44 lac on account of Corporate Social Responsibility (CSR) expenses out of which ₹ 643.67 lac is charged to Statement of Profit & Loss and the balance amount of ₹ 82.77 lac has been appropriated out of unspent balance of CSR Fund.
12. Information related to Micro, Small and Medium Enterprises Development Act, 2006 is disclosed hereunder
 - a)
 - i) Principal amount remaining unpaid to any supplier at the end of the accounting year - ₹ 2057.36 lac
 - ii) Interest due on above - ₹ 98.71 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



NOTES 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 - ₹ NIL

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

13. During the year the Company has written back old liabilities / provisions amounting to ₹ 306.21 lac (Previous Year ₹ 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 - ₹ 50.20 lac & MCP - ₹ 39.51 lac | 89.71 | 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 of PF Liability provided on ad-hoc basis earlier vis-a-vis actual liability paid and the balance of liability appearing at the end of the year no longer required is written back in ICC | 28.50 | After thorough reconciliation, the artificial liabilities found in the books of accounts are written back. |
| 3. | Write back of excess provision of CST on Anode Slime sale pertaining to KCC | 151.21 | The exact liability on account of CST on Sale of Anode Slime has been determined and the excess provision already created in earlier years has been written back. |
| 4. | Excess provision for doubtful debts no longer required is written back in RSOW - ₹1.08 lac & RSON - ₹ 1.06 lac. | 2.14 | The amount is recovered from the debtors and hence the provision for doubtful debts created in earlier years has been written back. |
| 5. | Write back of other miscellaneous provisions no longer required at MCP - ₹ 27.93 lac, KCC - ₹ 6.61 lac & RSOS - ₹ 0.11 lac. | 34.65 | 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 | 306.21 | |



NOTES FORMING PART OF THE ACCOUNTS (Contd.)

14. Export sales during the year include debits of ₹ 3581.17 lac arising out of final settlement of Copper Concentrate for which sales made earlier during F.Y.2013-14.
15. Consequent to enactment of the Companies Act, 2013 (the Act) and its applicability for accounting periods commencing on or after 01st April, 2014, the company has reworked depreciation with reference to the estimated economic life of fixed assets prescribed by Part C of Schedule II to the Act or actual useful life of assets, whichever is lower. In case of asset whose life has completed as above, the carrying value as at 01st April, 2014 amounting to ₹ 1780.46 lac has been adjusted against the opening balance of the Retained Earnings and in other cases the carrying value has been depreciated over the remaining of the revised life of the assets and recognized in the financial statements for the current period.
16. Special audit was conducted during the previous financial year 2013-14 in respect of financial irregularities in sales and customers records committed in earlier years regarding extending financial benefits to some customers which included allowing delivery of materials without receipt of payment for the same. Necessary provision was made for uncovered portion of interest and penal interest on overdue interest amounting to ₹ 50.59 lac in the financial year 2013-14. As the company has already recovered the principal amount and some portion of the interest, the management taking into account all relevant facts and circumstances of the case at that time did not categorize such occurrence as fraud.

Moreover such financial irregularities were further examined by a special committee constituted by the Management of the company. The same issue was also raised by C & AG and reported to Ministry of Mines. Appropriate action was initiated by Management to bring out the facts so that needful action can be taken accordingly.

However, no fraud on or by the company has been noticed or reported during the current financial year.

17. In giving effect to the bi-partite agreement between Company Management and Workmens' Union, the company has provided a sum of ₹ 2598.00 lac towards wage revision of workmen for the period 01st November 2012 to 31st March 2015.
18. The mining activities of Surda mines at ICC which was running on deemed extension basis was stopped w.e.f. 08th September, 2014 in terms of order issued by Government of Jharkhand on the contention that the mining lease period was not officially extended. However, Government of Jharkhand vide its order dated 18.03.2015, has extended the mining lease till 31.03.2020 and the company is legally entitled to carry on normal mining activities.



NOTES FORMING PART OF THE ACCOUNTS (Contd.)

19. 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 | 642.67 (677.37) | — (—) | — (—) | No separate records are maintained |
| iii) Liabilities to be settled | | 137.17 (137.17) | 73.04 (73.04) | 3.38 (3.38) | |
| iv) Amount of income | — (—) | — (—) | — (—) | — (—) | |
| v) Amount of expenses | — (—) | 34.70 (34.82) | — (—) | — (—) | |
| vi) Gain on sale of assets (Included in iv above) | — (—) | — (—) | — (—) | — (—) | |

20. 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)".

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

| | Qty (MT) | Year 2014-15 ₹ in lac | Qty (MT) | Year 2013-14 ₹ in lac |
|--------------------------|----------|--------------------------|----------|--------------------------|
| Anode Slime | 37.800 | 4112.52 | 28.200 | 2548.55 |
| Copper Reverts | 548.771 | 1509.54 | 575.149 | 2088.58 |
| Copper Concentrate (CMT) | — | (3581.17) | 8360.937 | 34760.40 |
| | | 2040.89 | | 39397.53 |

22. In terms of Accounting Standard - 18 on "Related Party Disclosures":

| Particulars | Key Management Personnel | Total Remuneration (₹ in lac) | |
|-----------------------|--|-------------------------------|-----------------------------|
| | | Year ended 2014-15 | Year ended 2013-14 |
| Receiving of Services | 1. Sri K D Diwan Chairman-cum-Managing Director | 39.19 | 45.09 |
| | 2. Sri Anupam Anand Director (Personnel) | 36.02 | 40.45 |
| | 3. Sri Avijit Ghosh Director (Mining) (up to 31.12.2014) | 26.13 (Part of the year) | 35.46 |
| | 4. Sri Subhendra Nanda Director (Operations) | 34.23 | 26.93 (Part of the year) |
| | 5. Sri V V Venugopal Rao Director (Finance) | 30.85 | 15.50 (Part of the year) |
| | 6. Sri C.S.Singhi Company Secretary | 24.13 | 29.84 |



NOTES FORMING PART OF THE ACCOUNTS (Contd.)

23. In terms of Accounting Standard - 20 on "Earning Per Share" :

(₹ in lac)

| | BASIC | DILUTED |
|---|--------------------------|--------------------------|
| Numerator used: Profit After Tax | 6759.84 (28642.28) | 6759.84 (28642.28) |
| Denominator used: Weighted average number of Equity Shares of ₹ 5/- (Previous year ₹ 5/- each) outstanding during the period. | 925218000 (925218000) | 925218000 (925218000) |
| Earning Per Share (₹) | 0.73 (3.10) | 0.73 (3.10) |

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

DEFERRED TAX ASSET (NET): -

(₹ in lac)

| Particulars | Deferred Tax Asset/(Liability) as at 01.04.2014 | Credit/(Charge) during 2014-15 | Deferred Tax Asset/(Liability) as at 31.03.2015 |
|---|---|--------------------------------|---|
| Deferred Tax Asset :- | | | |
| Difference between provision made in accounts and claims made as per I. T Act | 8158.45 | 1351.14 | 9509.59 |
| | 8158.45 | 1351.14 | 9509.59 |
| Deferred Tax Liability :- | | | |
| Difference between net book value of depreciable capital assets vis-a-vis WDV as per IT Act | (4368.13) | 526.92 | (3841.21) |
| | (4368.13) | 526.92 | (3841.21) |
| Deferred Tax Asset (Net) | 3790.32 | 1878.06 | 5668.38 |

25. PROVISIONS FOR CONTINGENCIES: -

(₹ in lac)

| PARTICULAR | Discarded Fixed Assets | Capital WIP & Advance | Mines Development Expenditure | Others | TOTAL |
|--|------------------------|-----------------------|-------------------------------|----------|----------|
| Carrying amount as at 01.04.2014 | 750.44 | 3392.91 | 4664.86 | 25551.81 | 34360.02 |
| Amount provided during the year | - | - | - | 12451.44 | 12451.44 |
| Amounts utilized against provision | - | - | - | 20551.48 | 20551.48 |
| Unused amounts released during the year. | - | - | - | - | - |
| Carrying amount as at 31.03.2015 | 750.44 | 3392.91 | 4664.86 | 17451.77 | 26259.98 |



NOTES FORMING PART OF THE ACCOUNTS (Contd.)

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

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded through Life Insurance Corporation of India and SBI Life Insurance 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 Statement of Profit & Loss and Mine Development Expenditure amounts to ₹ 5008.21 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 Statement of Profit and Loss and the funded status and amounts recognized in the balance sheet for the respective plans.

(₹ in lac)

| | Gratuity (Funded plan) | Leave Encashment (Partially funded Plan) | Leave Travel Concession (Non-funded Plan) |
|--|------------------------------|---|--|
| (i) Change in Defined Benefit Obligation | | | |
| Opening defined benefit obligation | 24418.64 | 8501.34 | 72.47 |
| Current service cost | 1553.43 | 950.40 | |
| Interest cost | 1869.08 | — | |
| Benefits Paid | 4858.99 | 3491.19 | 192.90 |
| Actuarial gain / (loss) | (644.08) | 3575.37 | 207.53 |
| Closing defined benefit obligation | 22338.08 | 9535.92 | 87.10 |
| (ii) Change in Fair Value of Assets | | | |
| Opening fair value of plan assets | 24447.76 | 1611.75 | |
| Expected return on plan assets | 2178.77 | 148.68 | |
| Actuarial gain / (loss) | 176.07 | 0.00 | |
| Contributions by employer | 1630.63 | 3510.86 | |
| Benefits paid | 4858.99 | 3491.19 | |
| Closing fair value of plan assets | 23574.24 | 1780.10 | |
| (iii) Amount recognized in the Balance Sheet | | | |
| Opening Net Liability | (29.12) | 6889.59 | |
| Expenses Recognized | 423.59 | 4377.09 | 207.53 |
| Contributions | 1630.63 | 3510.86 | |
| Closing Net Liability | (1236.16) | 7755.82 | 207.53 |
| Closing Fund / Provision at end of year | 22338.08 | 9535.92 | 87.10 |
| (iv) Expenses recognized in the Profit and Loss Account | | | |
| Current service cost | 1553.43 | 950.40 | |
| Interest cost | 1869.08 | — | |
| Expected Return on Plan Asset | 2178.77 | 148.68 | |
| Net actuarial gain / loss recognized in the current year | (820.15) | 3575.37 | 207.53 |
| Expenses Recognized as on 31.03.2015 | 423.59 | 4377.09 | 207.53 |



NOTES FORMING PART OF THE ACCOUNTS (Contd.)

The details of the plan assets as on 31.03.2015 towards gratuity & leave encashment are as follows:

₹ in lac

| | |
|---|-----------------|
| Investment in Life Insurance Corporation of India | 11334.10 |
| Investment in SBI Life Insurance Ltd | 13986.24 |
| Fund with Gratuity Trust Savings Bank Accounts | 34.00 |
| Total | 25354.34 |

Actual Return on Plan Assets during the year - ₹ 2327.44 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 | 9.40% |
| iv) Inflation Rate | 6.00% |

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

27. The physical verification of raw materials, WIP and finished goods have been conducted departmentally at reasonable intervals during the year. In respect of stores and spares, physical verification has been conducted by the external agencies once in a year during the year. Shortages/ (Excesses) identified on such physical verification which were not material in nature have been duly adjusted in the books of accounts.
28. 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 31.03.2015 | As on 31.03.2014 |
|------------------------------------|------------------|------------------|
| Excise Duty on Closing Stock | 812.33 | 1195.21 |
| Less: Excise Duty on Opening Stock | 1195.21 | 918.02 |
| Net Excise Duty | (382.88) | 277.19 |

29. As per Accounting Policy No.3.6, the physical verification of fixed assets which are required to be conducted once in every three years has not been conducted during the year under review since such verification was conducted in F.Y.2013-14.
30. Work in process includes stock of concentrate valued ₹ 3222.83 lac (Previous Year ₹ 3460.06 lac) lying with third party at the end of the year for which confirmation from the party has been obtained.
31. Closing inventory of stores & spares includes a sum of ₹ 552.57 lac, arising out of physical verification conducted, being the stores earlier issued from the stores godown and shown as consumed remaining unused/unconsumed at the end of the year
32. The previous year's figures have been regrouped / rearranged, wherever necessary.



35. GENERAL NOTES ON ACCOUNTS :
Additional information forming part of accounts for year ended March 31, 2015
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 products and others Quantity | |
|--|------|--------------------|---|-------------------|----------------|----------------------|----------------|----------------------|------------------|------------------------|---|--|
| | | | | | Quantity | Value ₹ in lac | Quantity | Value ₹ in lac | Quantity | Value ₹ in lac | | |
| Manufacturing Activities | | | | | | | | | | | | |
| a : Main products | | | | | | | | | | | | |
| 1 Wire bar | MT | 39400 (39400) | 39400* (39400) | — (—) | — (—) | — (—) | — (—) | — (—) | — (—) | — (—) | — (—) | |
| 2 Wire rod | MT | 60000 (60000) | 60000 (60000) | 16682 (14784) | 234 (276) | 868.32 (947.77) | 307 (234) | 1281.07 (868.32) | 16609 (14826) | 81653.42 (79857.36) | — (—) | |
| 3 Cathode including Toll Smelted Cathode | MT | 49500 (49500) | 18500** (18500) | 21205 (22825) | 1373 (768) | 4640.66 (2517.42) | 847 (1373) | 2849.53 (4640.66) | 5032 (7386) | 24924.45 (38886.75) | 16699 (14834) | |
| 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) | — (—) | — (—) | — (—) | — (—) | — (—) | — (—) | — (—) | — (—) | |
| 4 Selenium | KG | 10000 (10000) | 14600 (14600) | — (—) | — (—) | — (—) | — (—) | — (—) | — (—) | — (—) | — (—) | |
| 5 Sulphuric acid | MT | 236000 (236000) | 236000 (236000) | 15060 (11372) | 2336 (1845) | 92.45 (105.71) | 1119 (2336) | 80.05 (92.45) | 14510 (8990) | 883.00 (306.65) | 1767 (1891) | |



35. GENERAL NOTES ON ACCOUNTS :
Additional information forming part of accounts for year ended March 31, 2015
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 products and others Quantity |
|--|------|-------------------|---|-------------------|---------------|------------------------|---------------|------------------------|------------|--------------------------|--|
| | | | | | Quantity | Value ₹ in lac | Quantity | Value ₹ in lac | Quantity | Value ₹ in lac | |
| c : Allied and semi-Finished products | | | | | | | | | | | |
| 1 Anode slime | MT | NA (NA) | — (-) | 34 (29) | 7 (6) | 1250.58 (1256.58) | 3 (7) | 490.53 (1250.58) | 38 (28) | 4113.70 (2548.56) | — — |
| 2 Copper mould | MT | NA (NA) | — (-) | — (-) | 19 (19) | 21.34 (21.34) | 19 (19) | 21.34 (21.34) | — (-) | — (-) | — (-) |
| 3 Kyanite | MT | NA (NA) | — (-) | — (-) | — (-) | — (-) | — (-) | — (-) | — (-) | — (-) | — (-) |
| 4 Others | MT | NA (NA) | — (-) | — | — | — | — | — | — | 1174.82 (39990.69) | ***** |
| d : Work in progress | | | | | | | | | | | |
| GRAND TOTAL | | | | | | 28875.57 (26351.87) | | 32463.19 (28875.57) | | 112749.38 (161590.01) | |

Note :

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

** The Installed Capacity of Cathode is shown as 18500 MT which is for ICC only, since due to economic consideration the Company suspended KCC Smelter & Refinery from December 2008 Which has an installed capacity of 31000 MT. Presently, KCC concented is tolled to cathode by an outside agency.

*****Other Sales include debit of ₹ 3581.17 Lac arising out of final settlement of Copper Concentrate for which sale made in the earlier year

Credit of Anode Slime received from tolling valuing ₹ 2025.63 Lac, Sale of Copper Sulphate of ₹ 512.19 Lac, Liberator Cathode of ₹ 217.80 Lac, Reverts of ₹ 1509.55 Lac, Anode Slag of ₹ 70.58 Lac, Granulated Slag of ₹ 94.30 Lac, Copper Ash & Residue of ₹ 144.23 Lac, Copper Dust of ₹ 56.91 Lac, Magnetic / Red Jam of ₹ 87.14 Lac & Others valuing ₹ 37.66 Lac.



35. GENERAL NOTES ON ACCOUNTS (Contd.)

Additional information forming part of accounts for year ended March 31, 2015

35.2 Raw materials consumed

| | Quantity | | Value | |
|--------------------------------------|-------------------------------|-------------------------------|-------------------------------------|-------------------------------------|
| | Year ended 2014-2015 MT | Year ended 2013-2014 MT | Year ended 2014-2015 ₹ in Lac | Year ended 2013-2014 ₹ in Lac |
| Concentrate own production | 105484 | 103371 | 56089.64 | 44349.05 |
| Concentrate excluding own production | — | — | — | — |
| Cathode | — | — | — | — |

35.3 Imported and indigenous raw materials, store 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 | 1.12 | 1.68 | 254.23 | 499.33 |
| Indigenous | 98.88 | 98.32 | 22490.07 | 29171.42 |
| | 100.00 | 100.00 | 22744.30 | 29670.75 |

35.4 C.I.F. value of imports

| | | |
|------------------------------------|--------------|---------------|
| Raw Material | — | — |
| Components, spare parts and stores | 80.30 | 388.24 |
| Capital goods | 0.87 | 126.43 |
| | 81.17 | 514.67 |

35.5 Expenditure in foreign currency

| | | |
|---------------|---------------|---------------|
| Travelling | 10.76 | 25.92 |
| Advertisement | — | — |
| Others | 329.02 | 104.03 |
| | 339.78 | 129.95 |

35.6 Earning in foreign exchange

| | | |
|-----------------------|----------------|-----------------|
| Exports of goods(FOB) | 2040.89 | 39397.54 |
| | 2040.89 | 39397.54 |

35.7. Payment to Whole-time Directors

| | | |
|---|--------|--------|
| Salaries and allowances | 147.61 | 148.41 |
| Company's contribution to provident and other funds | 11.02 | 9.39 |
| Re-imbusement of medical expenses | 0.19 | 0.51 |
| Leave Encashment | 7.60 | 5.12 |
| 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.



NOTES





Hindustan Copper Limited

(CIN: L27201WB1967GOI028825)

Regd. Office: 'Tamra Bhavan', 1, Ashutosh Chowdhury Avenue, Kolkata - 700 019

Phone: 2283-2226, Fax: 2283-2676, E-mail: investors_cs@hindustancopper.com

Website: www.hindustancopper.com

Proxy Form

Name of the member (s):

Registered Address:

..... E-mail ID.....

Folio No. / Client ID DP ID:

I/We, being the member (s) of shares of the Hindustan Copper Limited, hereby appoint,

1. Name:.....Address:
Email Id.....Signature.....or failing him
2. Name:Address.....
Email Id:Signature.....or failing him
3. Name:Address.....
Email Id: Signature:

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 48th Annual General Meeting of the Company, to be held on Monday, 17th August, 2015 at 10.30 a.m. at 'Tamra Bhavan', 1, Ashutosh Chowdhury Avenue, Kolkata - 700 019 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.

- 1.....2.....3.....4.....
5.....6.....7.....

Signed this..... day of 2015.

Signature of Shareholder..... (Affix Revenue Stamp)

Signature of Proxy Holder(s).....

Note: This form of Proxy in order to be effective should be duly completed, stamped as per applicable laws, signed and deposited at the Registered Office of the Company not less than forty eight hours before the commencement of the meeting. Unstamped or inadequately stamped Proxies or Proxies upon which the stamps have not been cancelled are invalid. The Proxy holder shall prove his identity at the time of attending the meeting.



If undelivered please return to :

Hindustan Copper Limited

A Miniratna Category -I

Government of India Enterprise

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

CIN : L27201WB1967GOI028825

Website : www.hindustancopper.com

Email : investors_cs@hindustancopper.com

Contact No. : (033) 2283 2226

Fax : (033) 2283 2676

Hindustan Copper Limited
Business Responsibility Report for Financial Year 2014-15

Section A: General Information about the Company

1. **Corporate Identity Number (CIN) of the Company:** L27201WB1967GO1028825
2. **Name of the Company:** Hindustan Copper Limited
3. **Registered Address:**
 "Tamra Bhavan"
 1 Ashutosh Chowdhury Avenue
 Kolkata 700019
 Tel. No.: 033-2283 2226/2529
 Fax no.: 033-2283 2478/2640
4. **Website:** www.hindustancopper.com
5. **E-mail:** hcl_ho@hindustancopper.com, singhi_cs@hindustancopper.com
6. **Financial Year Period:** 2014-2015
7. **Sector(s) that company is engaged in (industrial activity code-wise):**

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

As per National Industrial Classification – Ministry of Statistics and Programme Implementation

8. **List three key products/services that the Company manufactures/ provides (as in balance sheet):**

Hindustan Copper Limited (HCL) is the only vertically integrated copper mining company in India having its own captive mines. Following are the key products manufactured by the Company:

- Copper Cathode
- Continuous Cast Copper Wire Rod
- Metal in Concentrate

9. **Total number of locations where business activity is undertaken by the Company:**

- a) Number of International locations: None
- b) Number of National locations: 14

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

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

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

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

Section B: Financial Details of the Company

1. **Paid up Capital:** Rs. 462.61 crore
2. **Total Turnover:** Rs. 1127.49 crore
3. **Total Profit after Taxes:** Rs. 67.60 crore
4. **Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%):** 10.75 %
5. **List of activities in which expenditure in 4 above has been incurred:**
 - a. Creating capacities to conserve water
 - b. Health & Hygiene
 - c. Enhancing livelihoods through educational support and vocational training
 - d. Ensuring environmental sustainability and ecological balance
 - e. Rural Development through promotion of sports and infrastructural development to improve the quality of life of the community
 - f. Centralized Activities like CSR&S Trainings, Third-Party Assessments, etc.

Section C: Other Details

1. Does the Company have any Subsidiary Company / Companies?

No

2. Do the Subsidiary Company / Companies participate in the BR Initiatives of the parent Company? If yes, then indicate the number of such subsidiary company(s).

Not Applicable

3. Do any other entity / entities (e.g. suppliers, distributors etc.) that the Company does business with; participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity / entities? [Less than 30%, 30-60%, More than 60%]

Yes, currently less than 30%.

Section D: BR Information

1. Details of Director / Directors responsible for BR:

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

| | |
|--------------------|------------------------------------|
| DIN | 02752767 |
| Name | Anupam Anand |
| Designation | Director(Personnel) |
| Phone | 033-2281 6221 |
| Mail Id | anupamanand@hindustancopper.com |
| DIN | 06608867 |
| Name | Subhendra Nanda |
| Designation | Director (Operations) |
| Phone | 033-2283 2432 |
| Mail Id | snanda@hindustancopper.com |
| DIN | 02950920 |
| Name | V V Venugopal Rao |
| Designation | Director (Finance) |
| Phone | 033-22832741 |
| Mail Id | vvvenugopalrao@hindustancopper.com |

b) Detail of the BR head

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

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

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

P1 – Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.

P2 – Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

P3 – Businesses should promote the well-being of all employees.

P4 – Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

P5 – Businesses should respect and promote human rights.

P6 – Businesses should respect, protect, and make efforts to restore the environment.

P7 – Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

P8 – Businesses should support inclusive growth and equitable development.

P9 – Businesses should engage with and provide value to their customers and consumers in a responsible manner.

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

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

**Company's Website: www.hindustancopper.com

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

| Sr. No. | Questions | Business Ethics | Product Responsibility | Welfare of Employees | Stakeholder Engagement | Human Rights | Environment | Public Policy | CSR | Value to customers |
|---------|-----------|-----------------|------------------------|----------------------|------------------------|--------------|-------------|---------------|-----|--------------------|
| | | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |

| | | |
|---|---|----------------|
| 1 | The Company has not understood the Principles | Not Applicable |
| 2 | The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles | |
| 3 | The Company does not have financial or manpower resources available for the task | |
| 4 | It is planned to be done within next 6 months | |
| 5 | It is planned to be done within the next 1 year | |
| 6 | Any other reason (please specify) | |

3. Governance related to BR:

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

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

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

The Company publishes annually its BR report as per SEBI guidelines and it can be viewed at the Company's website www.hindustancopper.com.

Section E: Section Wise Performance

Principle 1: Ethics, Transparency and Accountability

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

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

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

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

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

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

- i) Investor Grievances: 4 Investors grievances were received and resolved during 2014-15 and there was no outstanding complaint as on 31.3.2015;
- ii) Public Grievances: 21 cases received during FY2014-15. All the cases were redressed.
- iii) Customer Grievance: 5 complaints were received. All were systematically resolved.
- iv) Stakeholder grievances pertaining to any other issue are forwarded to the respective department for redressal.

The stakeholders may address their complaints via platforms given below:

| | |
|-------------------------------|---|
| Employee Grievance | <ul style="list-style-type: none"> • Grievance Redressal System • Whistle Blower Policy |
| Shareholder Grievance | At dedicated email id- investors_cs@hindustancopper.com |
| Trade Union Grievance | Bipartite Forum at Unit/National level for the Company |
| Consumers/Customers Grievance | Grievance Redressal through Marketing Department |
| Public in General | Public Grievance System of the Ministry |

Principle 2: Products contributing to sustainability

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

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

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

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

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

The Company is committed to increased levels of recovery and recycling, as well as to making investments in primary production to reduce energy intensity, toxicity and waste.

Energy Conservation: Energy consumption is constantly monitored at the mines, plants and townships with a view to achieve overall reduction. The power factor in all four units is currently being maintained above 0.95. Further, in order to conserve energy HCL has taken many initiatives like replacement of old high pressure burner with low pressure burner at Smelter plant, VVF drive motors were installed in place of conventional motors and LED lights are being progressively used in units and offices in place of conventional lights etc.

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

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

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

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

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

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

Suppliers, vendors participate in awareness creation programs, capacity building workshops that include sharing technical expertise, skill up-gradation and shop floor visits.

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

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

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

Principle 3: Welfare of Employees

Businesses should promote the well-being of all employees.

1. Please indicate the total number of employees.

3676 as on 31st March, 2015.

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

The number of employees hired on contract during FY 2014-15 was 17. There was no employee hired on temporary / casual basis.

3. Please indicate the number of permanent women employees.

230 as on 31st March, 2015.

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

36 as on 31st March, 2015.

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

Yes, there are recognised Trade Unions of workmen and an Officer's Association of executives.

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

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

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

| S No | Category | Complaints filed during the FY | Complaints pending at the end of FY |
|------|---|--------------------------------|-------------------------------------|
| 1 | Child labour/forced labour/involuntary labour | Nil | Nil |
| 2 | Sexual harassment | Nil | Nil |
| 3 | Discriminatory Employment | Nil | Nil |

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

- i. Permanent Employees
- ii. Permanent Women Employees
- iii. Casual/Temporary/Contractual Employees
- iv. Employees with Disabilities

| Category | % |
|--|----|
| Permanent Employees | 75 |
| Permanent Women Employees | 19 |
| Casual/Temporary/Contractual Employees | 20 |
| Employees with Disabilities | 58 |

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

Principle 4: Stakeholder Engagement

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

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

Yes

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

Yes

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

Yes, the Company takes various initiatives to engage with disadvantaged or marginalised stakeholders such as employees with special needs, employees from disadvantaged sections of society. All decisions that impact such stakeholders are taken only post deliberations. The needs of the vulnerable and marginalized stakeholders of the community are considered while designing community development initiatives. This is carried out through continuous interaction and engagement with the stakeholders through appropriate channels and platforms, such as public hearings, surveys, and most importantly through regular interactions during the course of implementation of social programmes.

Principle 5: Human Rights

Businesses should respect and promote human rights.

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

HCL does not have a Policy on Human Rights. However, the Company respects human rights and addresses human rights through its own codes and procedures and compliance with applicable laws (like Factories Act, Mines Act and other labour legislations) and through HR practices, which embody some of human rights principles such as prevention of child labour, forced labour, etc.

The Company has a structured mechanism in place to address the human rights issues such as equal opportunity to all, non-discrimination, removing pay anomaly, etc. Adequate efforts are undertaken to eliminate discrimination and harassment such as workers' participation from shop floor to

corporate level, concessions to persons with disability, prohibition of sexual harassment of women at workplace, etc.

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

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

Nil

Principle 6: Environment

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

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

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

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

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

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

Yes

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

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

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

Yes, the Company has taken following initiatives:

Energy Conservation:

- Gradual introduction of Variable Frequency Drive in place of conventional drive.
- Replacement initiatives of conventional lights with LED lights in all units and offices.
- Electrical water heater was replaced by solar water heater in few places.
- Large capacity equipments are commissioned in mines for energy conservation besides high productivity.

- Scheduled replacement and preventive maintenance of mining equipment and Plants for efficient use of energy.

New Technologies:

- Replacement with Dust Bloc: Dust bloc (synthetic liquid) has been experimentally used thus reducing the consumption of water.
- Recovery of valuable metals from Copper ore tailing- a pilot plant will be installed at KCC to assess the project viability.

R&D projects:

- Nickel salts are recovered from the spent electrolyte of ICC Refinery plant
- Bench scale study has been initiated to extract copper from concentrate by hydrometallurgical route.
- EOI was floated to identify new technology to recover copper, acid and nickel from the spent electrolyte of ICC Refinery.

Environment:

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

Waste management:

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

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

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

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

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

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

Nil

Principle 7: Public Advocacy

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

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

Yes, e.g. the Standing Conference of Public Enterprises (SCOPE), Indian Society of Training & Development (ISTD), Indian Copper Development Centre(ICDC), All India Management Association (AIMA), National Institute of Personnel Management (NIPM), Confederation of Indian Industry (CII) , Federation of Indian Mineral Industries(FIMI), Quality Circle Forum of India(QCFI) and Indian National Suggestion Scheme Association(INSAN).

- 2. Have you advocated / lobbied through above associations for the advancement or improvement of public good? Yes / No; if yes, specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Polices, Energy Security, Water, Food Security, Sustainable Business Principles, Others)**

No

Principle 8: Inclusive Growth

Businesses should support inclusive growth and equitable development.

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

Yes. The Company is committed to social, economic and environmental development of communities at all its operations and is committed to long term, mutually beneficial partnership between communities, Government & stake holders. It focuses on responsible business practices with community-centric interventions. The corporate social responsibility (CSR) plan of the Company approved by the Board has considered the above and is prepared based on Need Assessment Survey. The CSR initiatives are taken up primarily in and around areas of HCL Units, within a radius of 15-20 Km.

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

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

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

Yes, the Company has got impact assessment of its CSR initiatives conducted by M/S Management Development Institute, Gurgaon in FY 2012-13 and M/s Dexter Consultancy Private Limited, Ahmadabad in FY 2014-15.

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

Rs 7.26 crores during the year 2014-15, the details of the project undertaken are given as follows:

- Drinking Water, Health and sanitation: Installation of Borewell including soak pit, Health Camps, Support to e-health centre, Drinking water services by mobile tankers for nearby villagers.
- Education, Vocational skills and Livelihood: Diversified Agriculture (SRI/SWI), Female Literacy Center, Computer Training Center, Exposure visit of SHG member and farmers, Capacity building of SHG members, imparting vocational skills in trades i.e. Motor winding & starter training and Training on TV/ VCD.
- Environment and animal welfare: Veterinary Camps, Maintenance of existing plantation done in 2012-13 and in 2013-14, covering by top soil & Plantation at the waste rock dump in MCP.
- Sports: Training of Youth, provision of Sports Items and Organising Tournaments
- Swachh Bharat Abhiyaan and Swachh Vidyalaya Abhiyaan: Developing awareness to keep our workplace and surrounding villages/area clean, Developing awareness on safe sanitation and the need to build and use toilets, Prabhat Pheri/ walkathons by employees and their families, Rallies by students with banners/placards in local languages and construction/ repair of toilets in schools under Swachh Vidyalaya Abhiyaan.

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

Yes. The Company follows participatory approach in selection of CSR initiatives. The Company conducts base-line studies and need assessment surveys before initiating any CSR intervention. It adopts a collaborative and participatory approach towards delivering the community development initiatives. Majority of the community development initiatives are planned to have a defined exit strategy wherein the Company hands over the project to communities for sustainably carrying forward the initiatives. The Company continues to support these initiatives as deemed appropriate. Training and capacity building of communities to successfully adopt these initiatives is also planned as part of the overall project plan.

The continuation of the CSR initiatives, i.e., Systematic Rice Intensification (SRI), Solar Street Lights or the livelihood programs, e.g., Handloom weaving Units indicate that the community has adopted them whole-heartedly. Self Help Groups are formed amongst the villagers who look after the routine maintenance of the installed Solar Street Lights and Hand-Pumps. Similarly the Self Help Groups have been formed in respect of the livelihood initiatives, i.e., Handloom weaving, etc.

HCL has been conferred with the SKOCH Order of Merit for the CSR project namely 'Systematic Rice Intensification' and has been selected as amongst the best projects in the Country in November 2014. HCL was also endorsed the '50 Most Caring Companies of India' by the World CSR Day.

Principle 9: Value to Customers

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

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

Nil

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

Yes

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

Nil

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

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



हिन्दुस्तान कॉपर लिमिटेड

HINDUSTAN COPPER LIMITED

CIN No. : L27201WB1967GOI028825

भारत सरकार का उद्यम
A GOVT. OF INDIA ENTERPRISE

पंजीकृत एवं प्रधान कार्यालय
Registered & Head Office

ताम्र भवन TAMRA BHAVAN
1, आशुतोष चौधरी एवेन्यू
1, Ashutosh Chowdhury Avenue,
पो.बॉक्स P.B. NO. 10224
कोलकाता KOLKATA - 700 019

FORM A

(Pursuant to Clause 31(a) of the Listing Agreement)

1. Name of the Company : HINDUSTAN COPPER LIMITED
2. Annual financial statements for the period ended : 31st March 2015
3. Type of Audit observation : Un-qualified
4. Frequency of observation : N.A.

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

(Dr. Upendra Dutta Choubey)
Chairman of Audit Committee
(DIN : 00153988)

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

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

(CA R. N. CHATTOPADHYAY)
Partner
(M No. 066774)

Place : New Delhi
Date : 28.05.2015

