



हिन्दुस्तान कॉपर लिमिटेड  
Hindustan Copper Limited

A Miniratna Category-I CPSE  
[www.hindustancopper.com](http://www.hindustancopper.com)

वार्षिक प्रतिवेदन  
**ANNUAL  
REPORT**  
2019-2020

## **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

M/s. Chaturvedi & Co., Kolkata

## Bankers

State Bank of India  
United Bank of India  
Indian Overseas Bank  
Punjab National Bank  
ICICI Bank  
Axis Bank  
HDFC Bank

## Registrar and Transfer Agent

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

## Registered Office

“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

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### 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.

Fifty Third Annual General Meeting on Tuesday, 29<sup>th</sup> September, 2020 at 11:00 a.m.

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



## BOARD OF DIRECTORS



**SHRI ARUN KUMAR SHUKLA**  
Chairman and Managing Director



**SHRI ALOK CHANDRA**  
Government Nominee Director



**SHRI SANJEEV VERMA**  
Government Nominee Director



**SHRI SUKHEN KUMAR  
BANDYOPADHYAY**  
Director (Finance)



**SHRI R. KALYANSUNDARAM**  
Independent Director



**SHRI BALWINDER SINGH CANTH**  
Independent Director



**SHRI PAWAN KR. DHAWAN**  
Independent Director



**SHRI SUBHASH SHARMA**  
Independent Director



## 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 53<sup>rd</sup> Annual General Meeting ("AGM") of the Members of Hindustan Copper Ltd ("HCL / the Company") will be held on Tuesday, 29<sup>th</sup> September, 2020 at 11 AM, Indian Standard Time ("IST") through Video Conferencing /Other Audio Visual Means ("VC / OAVM") to transact the following business:

#### Ordinary Business

- 1) To receive, consider and adopt the Audited Financial Statements (Standalone and Consolidated) of the Company for the year ended 31<sup>st</sup> March, 2020 together with the Reports of the Directors, Auditors and C&AG.
- 2) To appoint a Director in place of Shri Arun Kumar Shukla (DIN 03324672), who retires by rotation and being eligible, offers himself for re-appointment.
- 3) To appoint a Director in place of Shri Sukhen Kumar Bandyopadhyay (DIN 08173882), who retires by rotation and being eligible, offers himself for re-appointment.
- 4) To fix remuneration of the Auditors.

#### Special Business

- 5) To consider and, if thought fit, to pass with or without modifications, the following resolution as Ordinary Resolution:  
"RESOLVED THAT pursuant to Section 152 and all other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), appointment of Shri Sanjeev Verma (DIN 08836996) as part time official Director of the Company with effect from 7.8.2020 in terms of Ministry of Mines' Order No. 10/2/2002-Met.III dated 7.8.2020 be and is hereby approved."
- 6) To consider and, if thought fit, to pass with or without modifications, the following resolution as Ordinary Resolution:  
"RESOLVED THAT pursuant to Section 152 and all other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), appointment of Shri R Kalyansundaram (DIN 08518006) as part time non-official Director of the Company with effect from 22.7.2019 in terms of Ministry of Mines' Order No. 10/3/2015-Met.III (Vol-I) dated 22.7.2019 be and is hereby approved."
- 7) To consider and, if thought fit, to pass with or without modifications, the following resolution as Ordinary Resolution:  
"RESOLVED THAT pursuant to Section 152 and all other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), appointment of Shri Pawan Kumar Dhawan (DIN 07327568) as part time non-official Director of the Company with effect from 22.7.2019 in terms of Ministry of Mines' Order No. 10/3/2015-Met.III (Vol-I) dated 22.7.2019 be and is hereby approved."
- 8) To consider and, if thought fit, to pass with or without modifications, the following resolution as Ordinary Resolution:  
"RESOLVED THAT pursuant to Section 152 and all other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), appointment of Shri Balwinder Singh Canth (DIN 07239321) as part time non-official Director of the Company with effect from 22.7.2019 in terms of Ministry of Mines' Order No. 10/3/2015-Met.III (Vol-I) dated 22.7.2019 be and is hereby approved."
- 9) To consider and, if thought fit, to pass with or without modifications, the following resolution as Ordinary Resolution:  
"RESOLVED THAT pursuant to Section 148 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the remuneration of ₹.80,000/- (Rupees eighty thousand only) plus taxes as applicable and reimbursement of actual travel and out-of-pocket expenses as recommended by the Audit Committee and approved by the Board of Directors, to be paid to M/s. Chatterjee & Co, Kolkata, appointed as Cost Auditor, to conduct audit of cost records of the Company for Financial Year 2020-21 be and is hereby ratified and confirmed."

By order of the Board

C S Singhi  
ED & Co Secretary  
FCS 2570

Date: 3.9.2020  
Place: Kolkata



**NOTES:**

1. Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 (the Act), in respect of Item Nos. 5 to 9 as set out above is annexed hereto. Special Business appearing at Item Nos. 5 to 9 of the Notice are considered to be unavoidable by the Board and hence forming part of this Notice.
2. In view of the COVID-19 Pandemic and restrictions imposed on the movement of people, the Ministry of Corporate Affairs ("MCA") vide its Circular dated 5.5.2020 read with Circulars dated 8.4.2020 and 13.4.2020 (collectively referred to as "MCA Circulars") and SEBI vide its Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12.5.2020 have permitted the holding of Annual General Meeting ("AGM") through Video Conference/ Other Audio Visual Means ("VC/OAVM") without the physical presence of Members at a common venue. Pursuant to the provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") read with the Circulars issued by MCA and SEBI, the 53rd AGM of the Company shall be conducted through VC / OAVM. The deemed venue for the 53rd AGM shall be the Registered Office of the Company. National Securities Depositories Limited ("NSDL") will be providing facility for remote e-voting, participation in the AGM through VC / OAVM and e-voting during the AGM.
3. Since the AGM will be conducted through VC / OAVM, there is no requirement of appointment of Proxies. Hence, the Proxy Form is not annexed to the Notice. Also, Attendance Slip and Route Map are not annexed to the Notice.
4. The details under Regulations 26(4) and 36(3) of the SEBI Listing Regulations and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, in respect of Directors seeking re-appointment at the AGM forms part of the Notice.
5. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to attend the AGM through VC / OAVM and vote on its behalf. The said Resolution/Authorization letter shall be sent to the email address of Scrutinizer at [kothari.navin@yahoo.com](mailto:kothari.navin@yahoo.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) and also marked to [investors\\_cs@hindustancopper.com](mailto:investors_cs@hindustancopper.com).
6. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
7. The Register of Members and Share Transfer Books of the Company will remain closed from 23rd September, 2020 to 29th September, 2020 (both days inclusive).
8. Pursuant to MCA Circulars and SEBI Circular, in view of prevailing Pandemic situation, the Notice of the 53rd AGM and the Annual Report for 2019-20 of the Company are being sent by electronic mode to Members whose email addresses are registered with the Company or the Depository Participant(s). Members may note that Notice and Annual Report 2019-20 will be also available on the Company's website at [www.hindustancopper.com](http://www.hindustancopper.com), websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www1.nseindia.com](http://www1.nseindia.com) respectively, and on the website of NSDL i.e. <https://www.evoting.nsdl.com>.
9. Members are requested to register/ update their e-mail address by submitting the 'Email Registration Form' available at the Company's website [www.hindustancopper.com](http://www.hindustancopper.com) to the Company's Registrar and Transfer Agent, M/s C B management Services (P) Ltd ("the RTA") at [rta@cbmsl.com](mailto:rta@cbmsl.com). Members holding share in electronic form are requested to register/ update e-mail address with their respective Depository Participants(DPs).
10. Members are requested to intimate changes, if any, pertaining to their address, e-mail address, telephone/mobile numbers, Permanent Account Number (PAN), power of attorney registration, Bank Mandate details such as, name of the Bank, branch details, account number, MICR code, IFSC code, etc., to their DPs in case the shares are held in electronic form and to the Company's RTA at [rta@cbmsl.com](mailto:rta@cbmsl.com) in case the shares are held in physical form quoting the folio No.
11. Pursuant to the provisions of Section 124 of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the unclaimed dividend for 2012-13 and the corresponding equity shares of the Company in respect of which dividend remain unclaimed for seven consecutive years will be due for transfer to the Investor Education and Protection Fund (IEPF) of the Central Government on 26th October, 2020. Details of such unclaimed dividend and corresponding shares are available on the Company's website [www.hindustancopper.com](http://www.hindustancopper.com) under the section 'Investor Relations'. In respect of the said dividend and shares, it will not be possible to entertain any claim by the Company after 26th October, 2020. The Members, whose unclaimed dividends/ shares have been transferred to IEPF, may claim the same by making an online application to the IEPF Authority in Form No. IEPF-5 available at [www.iepf.gov.in](http://www.iepf.gov.in).
12. Members holding shares in physical form are requested to convert their shares in demat mode. As per SEBI (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2018 notified on 8th June, 2018, except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialized form with a depository.



13. Members holding shares in more than one folio, in identical order of names, are requested to send the relative Share Certificate(s) to the Company's RTA for consolidating their holdings in one folio. A consolidated Share Certificate will be issued to such Members.
14. During the AGM, the Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of Contracts or arrangements in which Directors are interested under Section 189 of the Act shall be available for inspection upon login at NSDL e-voting system at <https://www.evoting.nsdl.com>.

**PROCEDURE FOR ATTENDING THE AGM THROUGH VC / OAVM AND RAISING QUESTIONS / SEEKING CLARIFICATIONS ON RESOLUTIONS / ANNUAL REPORT**

15. Members will be able to attend the AGM through VC / OAVM or view the live webcast of AGM provided by NSDL at <https://www.evoting.nsdl.com> by using their remote e-voting login credentials and selecting the EVEN for Company's AGM.
16. Members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in the Notice. Further, Members can also use the OTP based login for logging into the e-voting system of NSDL.
17. Members are requested to join the Meeting through Laptops for better experience and will be required to allow camera and use internet with a good speed to avoid any disturbance during the meeting. Please note that participants connecting from Mobile Devices or Tablets or through Laptop connected via mobile hotspot may experience audio/video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of glitches.
18. Members can join the AGM through VC/OAVM 30 minutes before and after the scheduled time of commencement of meeting by following the procedure mentioned in the Notice. Members may note that VC / OAVM provided by NSDL allows participation of at least 1000 Members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
19. As the AGM is being conducted through VC / OAVM, Members are encouraged to express their views / send their queries in advance mentioning their name, DP Id and Client Id/Folio No., e-mail id, mobile number at [investors\\_cs@hindustancopper.com](mailto:investors_cs@hindustancopper.com) to enable smooth conduct of proceedings at the AGM. Questions / Queries received by the Company on or before 23<sup>rd</sup> September, 2020 on the aforementioned e-mail id shall only be considered and responded to during the AGM.
20. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP Id and Client Id / Folio No., PAN, mobile number at [investors\\_cs@hindustancopper.com](mailto:investors_cs@hindustancopper.com) on or before 23<sup>rd</sup> September, 2020. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. Speakers are requested to submit their questions at the time of registration, to enable the Company to respond appropriately.
21. The Company reserves the right to restrict the number of questions and number of speakers, as appropriate, to ensure the smooth conduct of the AGM.

**PROCEDURE FOR REMOTE E-VOTING AND E-VOTING DURING THE AGM**

22. Pursuant to Section 108 of the Act and Rules notified there under and Regulation 44 of SEBI Listing Regulations, the Company is providing its Members the facility to exercise their right to vote on resolutions using electronic voting system (remote e-voting) provided by NSDL. The remote e-voting period commences on 26<sup>th</sup> September, 2020 (9:00 am) and ends on 28<sup>th</sup> September, 2020 (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 22<sup>nd</sup> September, 2020, 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. A member who has cast his vote by remote e-voting prior to the AGM may also attend / participate in the AGM through VC/OAVM but shall not be entitled to cast his vote again on the day of AGM.
23. A person who is not a Member as on the cut-off date i.e. 22<sup>nd</sup> September, 2020, should treat this Notice of AGM for information purpose only. 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 22<sup>nd</sup> September, 2020.
24. Any person, who acquires shares of the Company and becomes a Member of the Company after issue of the Notice and holding shares as on cut-off date, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). However, if he/she is already registered with NSDL for remote e-voting then he/she can use his/her existing User ID and password for casting the vote.



25. The process and manner of remote e-Voting are as under:

Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

Step 2: Cast your vote electronically on NSDL e-Voting system.

**Details on Step 1 to log in to NSDL e-voting system are mentioned below**

- i. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
- ii. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholders’ section.
- iii. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen. Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
- iv. Your User ID details are given below :

| <b>Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical</b> | <b>Your User ID is:</b>   |
|---|---|
| a) For Members who hold shares in demat account with NSDL             | 8 Character DP ID followed by 8 Digit Client ID<br>For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****. |
| b) For Members who hold shares in demat account with CDSL.            | 16 Digit Beneficiary ID<br>For example if your Beneficiary ID is 12***** then your user ID is 12*****.  |
| c) For Members holding shares in Physical Form.                       | EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***  |

- v. Your password details are given below
  - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote
  - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
  - c) How to retrieve your ‘initial password’?
    - i) If your e-mail id is registered in your demat account or with the Company, your ‘initial password’ is communicated to you on your e-mail id. Trace the email sent to you from NSDL in your mail box from [evoting@nsdl.com](mailto:evoting@nsdl.com). Open the email and open the attachment i.e., a .pdf file. The password to open the .pdf file is your 8 digit Client Id for NSDL account, last 8 digits of Client Id for CDSL account or Folio No. for shares held in physical form. The .pdf file contains your ‘User Id’ and your ‘initial password’.
    - ii) In case you have not registered your email address with the Company / Depository, please follow instructions mentioned in the Notice.
- vi. If you are unable to retrieve or have not received the “Initial password” or have forgotten your password:
  - a) Click on “Forgot User Details/Password?”(If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) “Physical User Reset Password?” (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.
  - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL
- vii. After entering your password, click on Agree to “Terms and Conditions” by selecting on the check box.
- viii. Now, you will have to click on “Login” button and the Home page of e-voting will open.





**Details on Step 2 to cast vote electronically on NSDL e-Voting System are mentioned below:**

- i. After successful login at Step 1, you will be able to see the Home page of e-voting. Click on e-voting. Then, click on Active Voting Cycles and you will be able to see all the companies "EVEN" (Remote E-voting Event Number) in which you are holding shares and whose voting cycle is in active status.
- ii. Select "EVEN" of Hindustan Copper Ltd., which is 113407.
- iii. Now you are ready for e-voting as the Voting page opens. Cast your vote by selecting appropriate options i.e., assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted. Upon confirmation, the message "Vote cast successfully" will be displayed. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page. Once you confirm your vote on the resolution, you will not be allowed to modify your vote

**Process for those Members whose email ids are not registered for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this Notice**

- i. Those Members, who hold shares in physical form or who have not registered their email address with the Company and who wish to participate in the 53<sup>rd</sup> AGM or cast their vote through remote e-Voting or through the e-Voting system during the meeting, may obtain the login ID and password by sending scanned copy of (a) a signed request letter mentioning name of Member, folio number and complete address; and (b) self-attested scanned copy of the PAN Card and any document (such as Driving Licence, Bank Statement, Election Card, Passport, AADHAR Card) in support of the address of the Member as registered with the Company; to the email address of the RTA at [rta@cbmsl.com](mailto:rta@cbmsl.com) and the Company at [investors\\_cs@hindustancopper.com](mailto:investors_cs@hindustancopper.com).
- ii. In case shares are held in demat mode, Members may obtain the login ID and password by sending scanned copy of (a) a signed request letter mentioning name of Member, DP ID-Client ID (16 digit DP ID + Client ID or 16 digit beneficiary ID); (b) self-attested scanned copy of client master or Consolidated Demat Account statement; and (c) self-attested scanned copy of the PAN Card, to the email address of the RTA at [rta@cbmsl.com](mailto:rta@cbmsl.com) and the Company at [investors\\_cs@hindustancopper.com](mailto:investors_cs@hindustancopper.com).
- iii. Alternatively, Member may send an e-mail request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for obtaining User ID and Password by proving the details mentioned in Point (i) or (ii) as the case may be.

**Instructions for Members for e-voting on the day of the AGM are as under**

- i. Members may follow the same procedure for e-Voting on the day of 53<sup>rd</sup> AGM as mentioned above for remote e-voting
- ii. Only those Members who will be present in the 53<sup>rd</sup> AGM through VC/OAVM and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system at the AGM.
- iii. The Members who have cast their vote by remote e-Voting prior to the 53<sup>rd</sup> AGM may also participate in the 53<sup>rd</sup> AGM through VC/ OAVM but shall not be entitled to cast their vote again.

**GENERAL INFORMATION FOR SHAREHOLDERS**

26. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on <https://www.evoting.nsdl.com/> to reset the password.
27. In case of any query / grievance with respect to Remote E-voting, Members may refer to the Frequently Asked Questions (FAQs) for Shareholders and Remote E-voting User Manual for Shareholders available under the Downloads section of NSDL's e-voting website or contact Mr. Amit Vishal, Senior Manager / Ms. Pallavi Mhatre, Manager, NSDL, Trade World, "A" Wing, 4th Floor, Kamala Mills Compound, Lower Parel, Mumbai 400 013 at telephone no. 022 – 24994360 / 022 – 24994545 or toll free no. 1800 – 222 – 990 or at E-mail ID :[evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
28. Shri 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 conducting remote e-voting and voting at the AGM in a fair and transparent manner. The Scrutinizer shall after the conclusion of e-voting at the 53<sup>rd</sup> AGM, first download the votes cast at the AGM and thereafter unblock the votes cast through remote e-voting and shall make a consolidated Scrutinizer's Report of the total votes cast in favour or against, invalid votes, if any, and whether the resolutions have been carried or not, and such Report shall then be sent to the Chairman or a person authorized by him in writing, within 48 (forty eight) hours from the conclusion of the 53<sup>rd</sup> AGM, who shall then countersign and declare the Result of voting forthwith.
29. The Result declared along with the Scrutinizer's Report shall be placed on the website of the Company at [www.hindustancopper.com](http://www.hindustancopper.com) and on the website of NSDL at <https://www.evoting.nsdl.com> immediately after the declaration of Results. The Company shall simultaneously forward the Results to National Stock Exchange of India Limited and BSE Limited, where the shares of the Company are listed. The results shall be also displayed on the Notice Board of the Company at its registered office.

**ANNEXURE TO NOTICE**

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

**Item No 5**

**Shri Sanjeev Verma**, Director, Ministry of Mines, Government of India, has been appointed as part time official Director of the Company with effect from 7.8.2020 in terms of Ministry of Mines' (MoM) Order No. 10/2/2002-Met.III dated 7.8.2020. It is now proposed to regularize his appointment at the ensuing 53<sup>rd</sup> AGM of the Company in order to comply with the relevant provisions of the Companies Act, 2013 (the Act).

Born on 26.3.1979, Shri Sanjeev Verma is B.E. (Civil) and belongs to the Indian Railway Stores Service (IRSS) 2002 batch. As an Officer of IRSS, Shri Verma had dealt with procurement of goods and services for various users of Indian Railways (IR). He has expertise in e-procurement, digital supply chain, contract management and implementation of policies of the Government of India in purchase matters like Make in India, GeM, MSME, etc. Shri Verma had held several key positions in IR including Dy. Vigilance Officer, Chief Information Officer/IT in North Western Railway (NWR) which dealt with IT Infrastructure of the NWR and coordination with central software implementing agencies of IR. Presently, Shri Verma is Director in MoM since 1.3.2019 and looks after the issues related to auction of mines, mineral concessions, utilization of DMF and implementation of PMKKKY scheme.

Shri Sanjeev Verma does not hold directorship in any other company. He does not hold any share in his name or on a beneficial basis for any other person in the Company. The Board considers that his continued association would be of immense benefit to the Company and recommends his appointment as Director of the Company. None of the Directors, Managers and other Key Managerial Personnel (KMP) of the Company is related to Shri Verma. Except Shri Verma, none of the Directors or KMP of the Company or their relatives is in any way, concerned or interested, financially or otherwise in the resolution set out at Item No 5.

**Item No. 6**

**Shri R Kalyansundaram** has been appointed as part time non-official (Independent) Director of the Company for a period of three years with effect from 22.7.2019 in terms of MoM order No. 10/3/2015-Met.III (Vol-I) dated 22.7.2019. It is now proposed to regularize his appointment at the ensuing 53<sup>rd</sup> AGM of the Company in order to comply with the relevant provisions of the Act.

Born on 6.5.1963, Shri R Kalyansundaram is B.E. (Mechanical Engineering) and MBA and has over 30 years of experience in manufacturing industry. He is an industrialist by profession and actively participates in trade and technical association activities. Presently, Shri R Kalyansundaram is President of Tamilnadu Pumps & Spares Manufacture Association (TAPMAA), Governing Council Member of the Indian Chamber of Commerce and Industry, Coimbatore, Governing Council Member of Scientific Industrial Testing and Research Centre, Coimbatore.

Shri R Kalyansundaram does not hold directorship in any other company. He does not hold any share in his name or on a beneficial basis for any other person in the Company. He has furnished a declaration to the Board that he meets the criteria of independence as provided in Section 149(6) of the Act. In the opinion of the Board, Shri R Kalyansundaram fulfils the conditions specified in the Act and rules made there under for his appointment as part time non-official (Independent) Director and recommend his appointment on the Board. Shri R Kalyansundaram shall be paid such sitting fees and reimbursement of actual travel expenses incurred for attending meetings of the Board and its Sub-Committee as the Board may approve from time to time. None of the Directors, Manager and other KMP of the Company is related to Shri R Kalyansundaram. Except Shri R Kalyansundaram, none of the Directors or KMP of the Company or their relatives is in any way, concerned or interested, financially or otherwise in the resolution set out at Item No 6.

**Item No. 7**

**Shri Pawan Kumar Dhawan** has been appointed as part time non-official (Independent) Director of the Company for a period of three years with effect from 22.7.2019 in terms of MoM order No. 10/3/2015-Met.III (Vol-I) dated 22.7.2019. It is now proposed to regularize his appointment at the ensuing 53<sup>rd</sup> AGM of the Company in order to comply with the relevant provisions of the Act.

Born on 15.7.1964, Shri Dhawan is B.Com, Fellow Member of the Institute of Chartered Accountants of India (FCA), Associate Member of the Institute of Cost Accountants of India (AICMA) and also completed post qualification courses of ICAI including DISA course (Diploma in Information Systems Audit), Concurrent Audit course and Forensic Accounting and Fraud Detection course. Shri Dhawan is a practicing Chartered Accountant by profession since 1991 and has been a Managing Partner of a leading CA firm in Lucknow. Under his guidance, the firm had handled various auditing assignments in PSUs, Banks, World Bank and Central & state Government assisted projects in U.P. for more than 28 years. Shri Dhawan has also worked as a Team Leader for auditing assignments in Power Generation & Distribution, Tourism, Construction



& Land Development sectors and various social sector schemes of Central and State Govt. Shri Dhawan has acted as a Consultant & Advisor for Financial & Investment Planning for 25 years. He presented his views in various Seminars, Conferences and Investor Awareness Program and writes regularly on economy, financial system and equity market.

Shri Pawan Kumar Dhawan does not hold directorship in any other company. He does not hold any share in his name or on a beneficial basis for any other person in the Company. He has furnished a declaration to the Board that he meets the criteria of independence as provided in Section 149(6) of the Act. In the opinion of the Board, Shri Dhawan fulfils the conditions specified in the Act and rules made there under for his appointment as part time non-official (Independent) Director and recommend his appointment on the Board. Shri Dhawan shall be paid such sitting fees and reimbursement of actual travel expenses incurred for attending meetings of the Board and its Sub-Committee as the Board may approve from time to time. None of the Directors, Manager and other KMP of the Company is related to Shri Dhawan. Except Shri Dhawan, none of the Directors or KMP of the Company or their relatives is in any way, concerned or interested, financially or otherwise in the resolution set out at Item No 7.

**Item No. 8**

**Shri Balwinder Singh Canth** has been appointed as part time non-official (Independent) Director of the Company for a period of three years with effect from 22.7.2019 in terms of MoM order No. 10/3/2015-Met.III (Vol-I) dated 22.7.2019. It is now proposed to regularize his appointment at the ensuing 53<sup>rd</sup> AGM of the Company in order to comply with the relevant provisions of the Act.

Born on 26.1.1958, Shri Canth is Commerce graduate, LLB and holds Master's degree in Personnel Management & Industrial Relations (MBA-HR) from Punjab University, Chandigarh. Shri Canth was Director (Marketing), Indian Oil Corporation Ltd and Chairman of Lanka IOC PLC. With over 3 decades of association with India's largest commercial enterprise (Highest ranking Fortune 500 Indian Company), Shri Canth has expertise in the field of marketing, logistics, supply and distribution of petroleum products to different segments of customers / geographies both in India and neighboring countries. Shri Canth successfully spearheaded path breaking initiatives like Ujwala – the program to reach LPG to every household in the country, DBTL (Direct Benefit Transfer of LPG Subsidy - acknowledged as the largest such scheme in the world and entered in Guinness Book of World Records) and Daily Pricing at Retail Outlets. Shri Canth had attended many management development programs at Canadian Petroleum Institute, Canada, Indian Institute of Management (IIM), Ahmadabad, Indian Institute of Management (IIM), Bangalore and Management Development Institute, Gurgaon apart from participating in numerous conferences and seminars both in India and abroad.

Shri Canth does not hold directorship in any other company. He does not hold any share in his name or on a beneficial basis for any other person in the Company. He has furnished a declaration to the Board that he meets the criteria of independence as provided in Section 149(6) of the Act. In the opinion of the Board, Shri Canth fulfils the conditions specified in the Act and rules made there under for his appointment as part time non-official (Independent) Director and recommend his appointment on the Board. Shri Canth shall be paid such sitting fees and reimbursement of actual travel expenses incurred for attending meetings of the Board and its Sub-Committee as the Board may approve from time to time. None of the Directors, Manager and other KMP of the Company is related to Shri Canth. Except Shri Canth, none of the Directors or KMP of the Company or their relatives is in any way, concerned or interested, financially or otherwise in the resolution set out at Item No 8.

**Item No. 9**

The Board, on the recommendation of the Audit Committee, approved appointment of M/s. Chatterjee & Co, as Cost Auditor, to conduct audit of cost records of the Company for the FY 2020-21 at a remuneration of ₹.80,000/- (Rupees eighty thousand only) plus taxes as applicable and reimbursement of actual travel and out-of-pocket expenses. In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the Members of the Company. Accordingly, the Ordinary Resolution at Item No. 9 of the Notice requires approval and ratification by Members of the Company. None of the Directors or KMP of the Company or their relatives is in any way, concerned or interested, financially or otherwise in the resolution.

Details of Directors seeking re-appointment at the AGM in terms of Regulations 26(4) and 36(3) of the SEBI Listing Regulations

**Shri Arun Kumar Shukla**

Shri Arun Kumar Shukla is the Chairman and Managing Director of the Company with effect from 1.1.2020 in terms of Ministry of Mines' order No. 10/1/2019-Met.III dated 11.12.2019.

Born on 7.7.1963, Shri Arun Kumar Shukla is a Graduate Mining Engineer of 1985 batch from Indian School of Mines, Dhanbad, M Tech in Environmental Engg. and also holds degree of Law (LLB). He possesses first Class Mines Managers' Certificate under The Mines Act, 1952. Shri Shukla is having vast experience of Indian Mining Industry. He has worked



in Central Coalfields Ltd for more than 21 years and in NMDC Ltd. for 12 years. On deputation from NMDC, he served as Managing Director of Jharkhand State Mineral Development Corporation Ltd. (A State PSU) for about 2 years. He was also holding the charge of CEO of the two Joint Venture Companies of NMDC viz. NMDC-CMDC Ltd. and JNMDC Ltd. to start new mines in the state of Chhattisgarh and Jharkhand respectively. Prior to joining HCL, Shri Shukla was working as Executive Director in NMDC Ltd and was heading one of its major units namely Bailadila Iron Ore Mines, Bacheli Complex in Bastar, Chhattisgarh. In HCL, Shri Shukla was earlier Director (Operations) during the period from 1.10.2018 to 31.12.2019.

Shri Shukla is also Managing Director of Chhattisgarh Copper Ltd (a Subsidiary of HCL & JVC with Chhattisgarh Mineral Development Corporation) and Director on the Board of Khanij Bidesh India Ltd (KABIL), a JV company between NALCO, HCL and MECL incorporated on 8.8.2019 with the objective to identify, acquire, develop, process and make commercial use of strategic and other minerals in overseas locations for supply in India and boost "Make in India" campaign. Shri Shukla does not hold any share in his name or on a beneficial basis for any other person in the Company. None of the Directors, Manager and other KMP of the Company is related to Shri Shukla. Shri Shukla attended all nine Board meetings of the Company held during FY 2019-20.

### **Shri Sukhen Kumar Bandyopadhyay**

Shri Sukhen Kumar Bandyopadhyay has joined as Director (Finance) of the Company with effect from 9.7.2018 (A/N) in terms of Ministry of Mines' order No. 10/2/2017-Met.III (Vol. II) dated 5.7.2018.

Born on 19.11.1961, Shri Sukhen Kumar Bandyopadhyay is academically Science Graduate (B.Sc.) and holds Professional qualifications "Cost Accountants" passed in June 1988. In addition, he has also acquired training and exposures in diverse areas of Management from various prestigious institutions of the country and abroad. Before joining as Director (Finance) of the Company, Shri Sukhen Kumar Bandyopadhyay was CGM (Finance & Accounts) in SJVN Ltd, Schedule A CPSU. During his professional career spanning over 29 years in executive position prior to joining the Company, he has held key positions in different fields of Finance & Accounts for the execution of Hydro/Thermal/Gas/Solar/Wind Projects in NEEPCO & SJVN Ltd (CPSUs) and in PPCL & IPGCL (Delhi Govt. PSU), on deputation. He was also Chairman / VC of EPF/DCPS & Treasurer - CSR of the various Trusts of SJVN Ltd. Shri Sukhen Kumar Bandyopadhyay has expertise in raising of long term loans, due diligence of project appraisal and evaluations, long term investment plan for project execution with budgeting, Treasury Management, Policy formulation, Accounts & Audit.

Shri Sukhen Kumar Bandyopadhyay is also a Director on the Board of Chhattisgarh Copper Ltd. He does not hold any share in his name or on a beneficial basis for any other person in the Company. None of the Directors, Managers and other KMP of the Company is related to Shri Bandyopadhyay. Shri Bandyopadhyay attended all nine Board meetings of the Company held during FY 2019-20.



**REPORT OF THE BOARD OF DIRECTORS****The Shareholders  
Hindustan Copper Ltd.  
Kolkata**

Your Directors have pleasure in presenting the fifty second Annual Report of Hindustan Copper Ltd. (HCL/the Company) together with the audited statement of accounts and Auditors' Report thereon for the year ended 31.3.2020.

**1. Performance**Financial Summary or highlights

The comparative working results for the FY 2019-20 vis-à-vis FY 2018-19 are as under:

(₹ in crore)

| Particulars   | 2019-20  | 2018-19 |
|---|----------|---------|
| (a) Turnover  | 803.17   | 1753.44 |
| (b) Profit/(Loss) before depreciation, amortization, finance cost & tax | (188.68) | 538.70  |
| (c) Less : Depreciation & Amortization                                  | 288.61   | 252.89  |
| (d) Less : Finance Cost   | 60.42    | 55.46   |
| (e) Profit/ (Loss) Before Tax from continuing operation                 | (537.71) | 230.35  |
| (f) Profit/(Loss) Before Tax from discontinuing operation               | (0.35)   | (0.35)  |
| (g) Profit/(Loss) Before Tax from continuing & discontinuing operation  | (538.06) | 230.00  |
| (h) Less : Provision for Taxation (Current & Deferred Tax)              | 31.29    | 84.49   |
| (i) Profit / (Loss) after tax from Continuing & Discontinuing Operation | (569.35) | 145.51  |
| (j) Other Comprehensive Income / (Loss) (net of tax)                    | (22.46)  | (10.90) |
| (k) Total Comprehensive Income / (Loss) for the year                    | (591.81) | 134.61  |
| (l) Add: Balance brought forward from the previous year                 | 869.85   | 763.13  |
| (m) Balance available for appropriation                                 | 278.04   | 897.74  |
| (n) Less : Dividend   | 48.11    | 23.13   |
| (o) Less : Tax on Dividend  | 9.89     | 4.76    |
| (p) Balance to be carried forward                                       | 220.04   | 869.85  |
| (q) Earnings per Share(Rs) (Both Basic & Diluted)                       | (6.15)   | 1.57    |

During 2019-20, the turnover of the Company was lower at ₹803.17 crore compared with ₹1753.44 crore achieved in last year which is due to lower sales volume coupled with fall in LME price of Copper during the year. Similarly, Profit/(Loss) After Tax from continuing & discontinuing operation during the year stood at ₹ (569.35) crore as against ₹145.51 crore in FY 2018-19. The financial performance during 2019-20 was affected due to non-lifting of copper concentrate by the buyer owing to reasons attributable to international market and one time write off of closing stock amounting to ₹257.10 crore arising out of reconciliation of metal content in copper concentrate on inter-unit transfer and sales, assessment of metal loss in generation of granulated dump slag, handling losses, old and oxidized concentrate. Further, for Lean Ore and Mill Scat containing low grade copper and presently not in use in the manufacturing process, a provision amounting to ₹183.32 crore has been made in the books of accounts. The Company has formulated the Standard Operating Procedure on Inventory Management to strengthen the reconciliation system of inventory throughout the Company.

Physical performance:

The comparative physical performance of production and sales for the year 2019-20 vis-a-vis 2018-19 is as under:-

| Particulars                         | 2019-20       | 2018-19       |
|-------------------------------------|---------------|---------------|
| Ore (Lakh Tonnes))                  | 39.68         | 41.22         |
| Metal in concentrate (MIC) (Tonnes) | 26,502        | 32,439        |
| Cathode (Tonnes)                    | 5,340         | 16,215        |
| CC Wire Rod (Tonnes)                | 8,443         | 21,450        |
| Sales (Tonnes):                     |               |               |
| CC Rod                              | 4,247         | 13,756        |
| Cathode                             | 1,492         | 2,564         |
| MIC                                 | 12,669        | 21,953        |
| <b>Total</b>                        | <b>18,408</b> | <b>38,273</b> |



Ore production during 2019-20 was marginally less compared to last year mainly due to break down of ore hoisting system at Kolihan mine. Metal in Concentrate (MIC) production was affected due to low grade of ore at Malanjkhanda Copper Project (MCP) and Khetri Copper Complex (KCC) as well as water shortage at KCC. The overall grade of ore during 2019-20 was 0.75% as against 0.88% in 2018-19. The availability of material was less in the open cast mine at MCP which has reached its ultimate depth and is in a transition phase from open cast to underground mining. In order to sustain and augment production during the transition phase, the Company had awarded contract for Ore production from MCP underground mine during the year. To overcome the problem of water shortage at KCC, the Company had taken up the matter with state Government of Rajasthan to increase supply of water from Kumbharam project. Cathode and Wire rod production during the year was less due to direct sale of concentrate as per market scenario.

## 2. Dividend

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

## 3. Material Changes, if any

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

## 4. Projects

Your Company had initially during FY 2010-11 envisaged increase in mine production capacity from 3.4 million tonne per annum (MTPA) to 12.2 MTPA. This was subsequently revised to 20.2 MTPA in order to boost domestic production of copper metal to reduce dependence on imports. The expansion plan will be implemented in a phased manner i.e. in first phase capacity up to 12.2 MTPA would be targeted and in second phase it will be scaled up to 20.2 MTPA.

Status of different continuing mine expansion projects is as under:-

### i. Malanjkhanda Copper Project (MP)

The proposed expansion of MCP will augment the ore production capacity from present 2.0 to 5.0 MTPA by developing an underground mine below existing open pit whose life is at its fag end. After obtaining the required Environment Clearance (EC) and clearance from National Board for Wild Life (NBWL), contract for development of underground mine was awarded in April, 2015 and as on 31.3.2020 the progress of important milestones are as under:

| Sl. No. | Milestones              | Planned depth / length (m) | Completed (m) | Status            |
|---------|-------------------------|----------------------------|---------------|-------------------|
| 1       | Service Shaft           | 665                        | 665           | Sinking completed |
| 2       | Production Shaft        | 694                        | 694           | Sinking completed |
| 3       | North Ventilation Shaft | 633                        | 372           | Under progress    |
| 4       | South Ventilation Shaft | 645                        | 475           | Under progress    |
| 5       | North Decline           | 4610                       | 2975          | Under progress    |
| 6       | South Decline           | 3860                       | 2103          | Under progress    |

Due to precarious financial position, the contractual Agency has been referred under Insolvency and Bankruptcy Code, 2016 and their liquidation is under process. This resulted into slow progress on construction of underground mine at MCP. Meanwhile, a contract for ore production from developing underground mine through decline has been awarded in July, 2019 and it is expected that production will commence in 2020-21.

### ii. Khetri, Kolihan and Banwas mine (Rajasthan)

The proposed expansion of mines at western sector will increase ore production capacity from existing 1.0 to 3.0 MTPA. Mine-wise status is as under:-

- Kolihan Mine:** Environmental clearance for shaft sinking & creation of ore handling facilities below 0 mRL (meter reduced level) to augment the production capacity to 1.5 MTPA was obtained on 2.2.2015. To establish the ore bodies at depth, 1650 m of Diamond drilling work was undertaken. In 2019-20, a total of 308.4 m of drilling have been completed. Further drilling has been undertaken to establish mineralization corresponding to (-) 120 mRL and 6298 meter of surface exploratory drilling has been completed in 2019 -20. Further drilling is in progress. After proving of continuity of ore body in depth, proposal will be undertaken.
- Khetri mine:** Contract was awarded during 2011-12 to augment ore production capacity of Khetri mine from 0.5 MTPA to 1.5 MTPA under Phase II through deepening of existing shaft and other related activities. However, during execution of the contract, the work was badly affected at the initial stage due to extremely bad ground / fault zone encountered while making approach cross cut to reach below the existing Production Shaft area for setting up winding arrangement for sinking of shaft further. Despite many efforts made by the contractor the problem persisted and finally the contract was terminated in January, 2017 as per terms and conditions of the contract.



After identification of the fault plane and bad ground below ground, a detailed study was done to modify the design of deepening of Production shaft in safest manner. Tendering action for new contract for deepening of the existing Production shaft has been initiated.

- c. Banwas Mine: Contract was awarded during 2009-10 to develop the Banwas deposit as part of Khetri mine to augment the production capacity to 0.6 MTPA and the project was completed in February, 2017.

During FY 2016-17, the Company has appointed contractual agency for ore production from Banwas deposit. The contractual agency has produced 2,43,942 tonne of ore in FY 2019-20 and the target production ramp will be achieved by 2023-24.

**iii. Surda mine expansion (Jharkhand)**

The plan envisages sinking of shaft, deepening of various winzes to increase production capacity from 0.4 to 0.9 MTPA in Surda mine.

The Expert Appraisal Committee (EAC) of the Ministry of Environment, Forest and Climate Change (MoEFCC) in its 34th meeting held on 4.6.2020 deferred the proposal of Environment Clearance (EC) of Surda Mine asking additional information like Letter of Intent (LoI) from the Government of Jharkhand for extension of the lease and few other clarifications. HCL has requested the Government of Jharkhand for issue of LoI and the matter is being pursued. Mining lease of Surda which was valid up to 31.3.2020 would be renewed after obtaining EC from the MoEFCC.

Meanwhile, depth exploration drilling has been undertaken at Surda Mining Lease and 8924.50 meters of surface exploratory drilling has been done in Surda Mining Lease during 2019-20.

**iv. Re-opening of closed mines at Indian Copper Complex (ICC) Ghatsila (Jharkhand)**

The Company initiated action to re-open closed mines, development of new underground mine at Singhbhum Copper Belt of ICC namely, Kendadih and Rakha mines. Mine-wise status is given below:

- a. Kendadih mine: A contract for reopening and development of closed Kendadih mine was awarded in 2011-12. After obtaining necessary statutory clearances, Kendadih mine was reopened in December, 2017 with commissioning of winders after completion of dewatering of the mine. Presently, Mine development work is in progress. Equipment were mobilized in a phased manner and mine had produced 43,200 MT of ore during 2019-20 which was treated in Mosaboni Concentrator Plant.
- b. Chapri Sideshwar and Rakha mine: Chapri-Sideshwar mine falls within the Rakha and Kedadih mining lease area. The EC and Stage II FC for Kendadih was obtained in the year 2015 and 2017 respectively.

It is planned to augment the production capacity to 1.5 MTPA of ore by reopening and expansion of closed Rakha mine. The EC and Stage II FC for Rakha mining lease was obtained on 1.8.2014 and 15.9.2016 respectively.

Tender floated by the Company for mine development and production from Chapri mine was discharged despite several attempts due to high price quoted by bidders and poor response. In view of this, the Company is exploring to engage contractor through MDO (Mine Developer cum Operator) route for re-opening and expansion of Rakha Copper Mine. Development of a new underground mine at Chapri-Sideshwar and erection & commissioning of a new Concentrator Plant at ICC is in the process of floating the tender for engagement of MDO agency.

Meanwhile, surface exploratory drilling has been undertaken at Chapri Block of Rakha Mining Lease and 5243.5 m of drilling has been done during the year 2019-20.

The company envisages augmentation of ore production capacity in 1<sup>st</sup> phase to 12.2 MTPA by 2028-29 in stages. The company will take up enhancement of ore production capacity to 20.2 MTPA in 2nd phase after successful completion of 12.2 million tonne per annum capacity plan.

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

No significant or material orders have been passed by the Regulators or Courts or Tribunals impacting the going concern status and company's operations in future.

**6. Utilization of funds raised through preferential allotment or QIP during the year**

The Company has not raised funds through preferential allotment or Qualified Institutions Placement during the year and hence not applicable.

**7. Management Discussion and Analysis**

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

**8. Awards and Accolades**

- a) HCL received 'Honourable Mention' at the National CSR Awards 2018 in the category – 'Corporate Awards in CSR in Challenging Circumstances, Sub Category – East' organized on 29.10.2019 at Vigyan Bhawan, New Delhi for its project in Drinking Water and Sanitation. This was the first National CSR Award organized by Ministry of Corporate Affairs, Government of India.



- b) Following mines of HCL got awards in different categories at the National Safety Awards (Mines) at New Delhi on 16.12.2019:
- (i) Kolihan Copper Mine, Rajasthan won the National Safety Awards (Mines) for year 2015 under category LAFP (Longest Accident Free Period)-Type-6.
  - (ii) Kolihan Copper Mine, Rajasthan won the National Safety Awards (Mines) for year 2016 under category LIFRM (Lowest Injury frequency rate per lakh man shift)-Type-6.
  - (ii) Surda Copper Mine, Jharkhand got runner-up prize at National Safety Awards (Mines) for year 2015 under category LAFP (Longest Accident Free Period)-Type-6.
- c) Khetri and Kolihan Mines of KCC got several awards during 33<sup>rd</sup> Mines Safety Week- 2019 in the category of 'Underground Mines' organized from 2.12.2019 to 8.12.2019 and during the 30<sup>th</sup> Mines Environment & Mineral Conservation Week 2019 – 20 in the category of 'Fully Mechanized (Group B Underground mine)' organized from 5.1.2020 to 11.1.2020.

#### **9. Information in respect of Subsidiary, Associate and Joint Venture**

During the year, HCL has invested ₹.75 Lakhs in the equity shares of Khanij Bidesh India Ltd (KABIL), a JV company between NALCO, HCL and MECL incorporated on 8.8.2019 with the objective to identify, acquire, develop, process and make commercial use of strategic and other minerals in overseas locations for supply in India and boost "Make in India" campaign. The shareholding of NALCO, HCL and MECL in the JV Company is in the ratio of 40:30:30.

During the year, HCL has not made any additional investment in its subsidiary viz. Chhattisgarh Copper Ltd (CCL). The total paid up capital of CCL as on 31.3.2020 is ₹.25 Lakhs out of which 74% equity is held by HCL and remaining 26% is held by Chhattisgarh Mineral Development Corporation Ltd.

Information in respect of Subsidiary, Associate & Joint Venture (Form AOC 1) pursuant to Section 129(3) of the Companies Act, 2013 read with Rule 5 of Companies (Accounts) Rules, 2014 is given in Notes to Financial Statements 2019-20.

#### **10. 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.

#### **11. Related Party Transactions (RPTs)**

Investment of ₹.75 Lakhs made by HCL towards equity capital of KABIL during 2019-20 falls under the category of RPT. Detail of RPT in Form AOC-2 is given at **Annexure - II**. Policy on RPTs and dealing with RPTs has been formulated and put up at the Company's website at [www.hindustancopper.com](http://www.hindustancopper.com).

#### **12. Maintenance of cost records**

The Company is required to maintain cost records as specified by the Central Government under section 148 of the Companies Act, 2013, and accordingly such accounts and records are being maintained.

#### **13. 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](http://www.hindustancopper.com).

#### **14. 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.

#### **15. Internal Financial Controls**

The Company has in place adequate internal financial control with reference to financial statements commensurate with its size and operations.

#### **16. 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-III** forming part of this report.

#### **17. Safety**

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





- i. Malanjkhand open cast mine had won the following safety performance award in large opencast mine category in 2019-20 under the aegis of DGMS (Nagpur region I & II):
  - a) 1<sup>st</sup> Prize on Swatchata Abhiyan.
  - b) 2<sup>nd</sup> Prize on Mine Plans and Records.
  - c) 3<sup>rd</sup> Prize on Vocational Training & First Aid; Occupational Health & Safety & welfare Amenities; First Aid Team Competition, First aid team captain.
- ii. Khetri Copper Mine had received 1<sup>st</sup> Prize on Storage, Transport & Use of Explosives, 2<sup>nd</sup> Prize on Plant, Machinery, Maintenance & Operation of Winder and 3<sup>rd</sup> Prize on Electrical Equipment & Installations and Occupational Health & Safety and Welfare Amenities, Vocational Training & First Aid and Accident Statistics & Control Measures such as SMP & Emergency Preparedness.
- iii. Kolihan Copper Mine received 1<sup>st</sup> Prize on Occupational Health & Safety and Welfare Amenities, Vocational Training & First Aid and Accident Statistics & Control, 2<sup>nd</sup> Prize for Overall Performance and Mine Working, Mine Plans & Record and 3<sup>rd</sup> Prize on Electrical equipment & Installation, Plant, Machinery, Maintenance & Operation of Winder and Publicity, Propaganda & Awareness.

Besides the above, special training, regular refresher training program 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.

#### **18. Corporate Social Responsibility (CSR)**

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

#### **19. Vigilance Activities**

Vigilance is an essential management tool to ensure rules of corporate governance which is necessary to increase corporate discipline and probity in public life. The Vigilance Department plays an enabling role in (a) strengthening of systems and procedures, (b) updation of manuals, (c) adoption of rules to accommodate changing processes and business plan, (d) enhancement of transparency, (e) minimization of discretionary space and (f) fostering e-friendly environment through technical upgradation etc.

The stress is provided on capacity building by increasing awareness amongst employees and streamlining systems and procedures in tune with the latest government guidelines.

While preventive and proactive vigilance will always remain the priority, punitive action cannot be avoided in cases of serious misconduct. Even though, the same may evoke mixed responses at times, punitive vigilance is also important in the interest of maintaining discipline, fairness and probity in public dealings.

With the ever changing technology and economic scenario under which the Public Sectors have to function, the task of the Vigilance Department is becoming increasingly challenging and requires the streamlining of rules & guidelines, innovative thinking and solid management support for contributing to the growth of the organization.

The vigilance organization of HCL will always strive to achieve the above objectives.

#### **20. Official Language Implementation**

During FY 2019-20, HCL made constant endeavor to increase the use of Official Language Hindi in its Units/Offices. Raj Bhasha fortnight and Hindi Diwas were celebrated in the Units/Offices from 14.9.2019 to 28.9.2019. On this occasion, the messages of Hon'ble Home Minister, Hon'ble Mines Minister, Govt. of India and CMD, HCL were circulated /read out. Various competitions were organized with a view to increase interest among employees towards the Official Language and winners were rewarded. 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 was carried out in quarterly meetings of Official Language Implementation Committee under the Chairmanship of CMD at Corporate Office and Unit Heads in Units.

During FY 2019-20, HCL participated in the half-yearly meetings organized by the Town Official Language Implementation Committee (PSUs), Kolkata conducted on 31.8.2019 and 29.1.2020. In the meeting held on 29.1.2020, two officers of HCL secured first position in the quiz contest and conferred the awards by his Excellency, the Governor of West Bengal.

The progressive use of Hindi is being reviewed regularly at Board meetings. The Company's in-house journal "Tamralipi" is published in Hindi and English languages and distributed among the employees and also sent to Institutions. There is a continuous effort to publish advertisement of recruitment / tender etc bilingually. In order to increase knowledge and popularity of Hindi among employees, a scheme of 'one Hindi word and one sentence every day' is being implemented. The use of Hindi in the computer has been further increased and advance software Unicode Hindi Open Office has been made available to all units/offices of the Company.



## 21. Business Responsibility Report

Pursuant to Regulation 34 (2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 {SEBI (LODR), 2015}, Business Responsibility Report for FY 2019-20 describing various initiatives taken by the Company on social, environmental and governance perspective, is attached at **Annexure-V** which forms part of this report.

## 22. Extract of Annual Return

Extract of Annual Return pursuant to Section 92(3) of the Companies Act, 2013 is available at Company's website at [www.hindustancopper.com](http://www.hindustancopper.com).

## 23. Corporate Governance

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

## 24. Number of meetings of the Board

During FY 2019-20, nine Board meetings were held on 25.4.2019, 28.5.2019, 20.7.2019, 10.8.2019, 16.9.2019, 16.10.2019, 14.11.2019, 27.12.2019 and 13.2.2020.

## 25. 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<sup>st</sup> March, 2020 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<sup>st</sup> March, 2020 and of the Profit and Loss of the Company for the FY 2019-20.
- (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.

## 26. 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.

## 27. Familiarization Program for Independent Directors

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

## 28. Opinion of the Board with regard to integrity, expertise and experience (including the proficiency) of the Independent Directors

In the opinion of Board the Independent Directors of HCL are person of integrity and possesses expertise and experience required to discharge their duty. Two out of four Independent Directors (viz. S/Shri R Kalyansundaram and Pawan Kumar Dhawan) have successfully completed online proficiency self-assessment test conducted by the Indian Institute of Corporate Affairs.

## 29. Manner of Annual evaluation of Board sub Committees and individual Directors

HCL being a Government Company, performance evaluation of its Directors and criteria of evaluation is decided and undertaken by the Government of India.

## 30. 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](http://www.hindustancopper.com). All Board members and senior management personnel have affirmed compliance of the Code for the year ended 31<sup>st</sup> March, 2020.



### 31. Directors

S/Shri R Kalyansundaram, Pawan Kumar Dhawan and Balwinder Singh Canth have been appointed as Non-official Independent Directors with effect from 22.7.2019.

Shri Anupam Anand who was under suspension from 11.4.2019 in terms of Order No. A/05/1/2019-Vig. dated 11.4.2019 issued by Ministry of Mines, Government of India, ceased to be Director (Personnel) with effect from 4.8.2019 upon completion of his term.

Shri Niranjan Kumar Singh ceased to be part time official (Govt. Nominee) Director from 14.10.2019 on completion of his central deputation tenure.

Smt Simantini Jena and Shri Hemant Mehtani ceased to be Non-official Independent Directors on completion of their tenure on 16.11.2019.

Shri Dileep Raj Singh Chaudhary ceased to be Non-official Independent Director on completion of his tenure on 30.11.2019.

Shri Santosh Sharma and Shri Sanjay Kumar Bhattacharya ceased to be CMD and Director (Mining) respectively on attaining the age of superannuation on 31.12.2019.

Shri Arun Kumar Shukla took over the charge of CMD from 1.1.2020.

Shri Satendra Singh appointed as part time official (Govt. Nominee) Director from 1.1.2020 to 7.8.2020.

Shri Sanjeev Verma appointed as part time official (Govt. Nominee) Director vice Shri Satendra Singh from 7.8.2020.

The Board places on record its appreciation for the valuable services rendered and contribution made by Smt Simantini Jena, S/Shri Niranjan Kumar Singh, Satendra Singh, Hemant Mehtani, Dileep Raj Singh Chaudhary, Santosh Sharma, Sanjay Kumar Bhattacharya and Anupam Anand during their tenure on the Board.

### 32. Secretarial Audit Report

M/s Bajaj Todi & Associates (Formerly known as PS & Associates), Practicing Company Secretaries, has been appointed as Secretarial Auditor for FY 2019-20. Report given by the Secretarial Auditor is given at **Annexure –VII** to this report. With regard to observations of Secretarial Auditor about composition of the Board that “No. of Independent Directors were less than 50% from 1.4.2019 to 21.7.2019 and 1.12.2019 to 31.12.2019. Also the Board does not have Women Director with effect from 16.11.2019”, it is stated that HCL, being a Government Company and in terms of its Articles of Association, appointment of all Directors on its Board is made by the President of India through orders issued by the Ministry of Mines (MoM). The Company has no role to play in the appointment process. However, the Company is pursuing the matter with MoM for appointment.

### 33. Auditors

M/s. Chaturvedi & Co, Kolkata was appointed as Statutory Auditors to audit the accounts of the Company for the year 2019-20.

M/s. Chatterjee & Co, Kolkata was appointed as Cost Auditor of the Company for carrying out the Cost Audit of Copper Ore, Concentrate, Cathode, Continuous Cast Copper Rods, other Processed Copper and articles along with Sulphuric acid for the year 2019-20.

### 34. Comments of C&AG

The comments of C&AG under the Companies Act on the accounts of the Company for the year ended 31<sup>st</sup> March, 2020 are annexed to this report.

### 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, Gujarat and West Bengal and the Company's bankers, customers and office bearers of the recognized Trade Unions of different Units / Head Office. The Board also thanks all shareholders and investors for the trust reposed by them in the Company.

For and on behalf of the Board of Directors

Arun Kumar Shukla  
Chairman and Managing Director  
(DIN-03324672)

Place: Kolkata

Date: 10.8.2020



## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### I. Industry Structure and Development

Copper is very essential metal for economic activity and even more so to the modern society. Infrastructure development in major countries such as China and India and the global trend towards cleaner energy will continue to support growth in copper demand. Copper is one of the most recycled of all the metals. Virtually all products made from copper can be recycled and recycled copper loses none of its physical and chemical properties. Currently 17% of total refined copper production comes from recycling only.

#### Global Business Scenario

World copper mine production declined by about 0.7% during the calendar year (CY) 2019 and reached to a level of 20.43 million tonnes (in metal terms). The decrease in world mine production in 2019 was mainly due to reduced output in major copper producing countries. Production in Chile, the world's biggest copper producing country, declined by around 1% due to lower copper head grades and few production disruptions. Indonesian output declined by around 45% as a consequence of the transition of the country's two major copper mines to different ore zones leading to temporarily reduced output levels. After growth of 13% in 2018, aggregated production in the Democratic Republic of Congo (DRC) and Zambia declined by about 3% as consequence of temporary suspensions at SX-EW mines, reductions in planned production and operational constraints. Panama started producing copper in March 2019 with the commissioning of the Cobre de Panama mine and was one of the significant contributors to world mine production growth in 2019. On a regional basis, mine production is estimated to have increased by around 3% in North America, 1% in Latin America and 3% in Oceania but declined by around 6% in Asia, 2.5% in Africa and 0.5% in Europe.

World refined copper production declined by about 0.6% during the CY 2019 and reached to a level of 23.94 million tonnes. The production growth was constrained by an unusually high frequency of smelter disruption, temporary shutdowns for technical upgrades/modernizations and supply interruptions. Decline of more than 50% of India's production during FY 2019-20 compared to last year was mainly due to continued shutdown of Vedanta's Tuticorin smelter since May, 2018. The decline in production was partially offset by increase in Chinese refinery output and recovering from production constraints in 2018 in countries such as Australia, Brazil, Iran and Poland.

In 2019, the world consumption of refined copper was 24.28 million tonnes registering a decline of 0.8%. Sustained growth in copper demand is expected to continue because of progressive move towards more sustainable economy, increase in population, product innovation, economic development etc.

#### Indian Copper Scenario

Compared with global markets, India has limited copper ore reserve/resources contributing about 1.5 % of world copper reserves. Mining production is just 0.2% of world's production, whereas refined copper production capacity is about 4% of world's production. The size of Indian Copper Industry (consumption of refined copper per annum) is around 6.6 lakh tones, which is only 3% of world copper market.

There are three major players which dominate the copper industry in Indian markets. Hindustan Copper Ltd (HCL) in Public sector, M/s Hindalco Industries and M/s Vedanta in Private Sector. Production in India has declined significantly due to the permanent closure order issued to Vedanta Smelter/ refinery plant by Tamilnadu government in May, 2018.

HCL is the only vertically integrated copper producer in the country which produces refined copper from mined ore, while M/s Hindalco Industries at Dahej in Gujarat and M/s Vedanta Industries Ltd at Tuticorin in Tamil Nadu have set up port based smelting and refining plants. However, there are few installations to produce Electro-won copper but their capacities are still very low and production is inconsistent. There are more than 1000 SMEs, MSMEs and unorganized sector working in the downstream and secondary recycling of copper Industries in India.

In the fiscal year 2019-20, the copper ore production in India was 3.97 million tonnes. HCL has plans to increase its mining capacity from its current level ore production to 12.2 MTPA in phase-I in next 9 years and will take necessary action for further capacity enhancement of mine to 20.2 MTPA in phase -II. Metal in concentrate production of HCL in FY 2019-20 was 26,502 tonnes.

Refined copper production in India during FY 2019-20 was approximately 4.08 lakh tonnes (Sterlite- 0.77 lakh tonnes, HCL- 0.05 lakh tonnes & Hindalco- 3.25 lakh tonnes), as compared to 4.57 lakh tonnes in FY 2018-19.





## II. SWOT analysis

### Strength

- Only Company mining copper ore in India.
- Fully developed infrastructure facilities
- Holding mining lease of more than 80% of country's copper reserves
- Vertically integrated operations greater business certainty
- Skilled and well-trained workforce
- Established brand value
- Wide distribution network and established customer base

### Weakness

- Smaller size mine deposits except Malanjkhand
- Aged equipment & old technology for value addition
- Low process efficiency
- High cost of logistics due to multi location units
- Low utilization of two plants, TCP & GCP resulting in cross subsidization
- Aged workforce

### Opportunity

- Growing copper demand within country
- Ready market for copper concentrate in India due to large smelting/refining capacity
- Buoyancy in world copper prices
- Scope for expansion of mine capacity
- Opportunity to explore new deposits

### Threat

- Volatility in LME Copper price affecting turnover/profitability
- Increasing cost of inputs
- Attrition of skilled manpower
- Regulatory risks in mining increasing
- Risk in existing non-profitable business
- Non-availability of competent underground Metal mining contractor / Outsourcing agency in India

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

Covered in the main report.

## IV. Outlook

Copper demand is expected to grow at 7% -8% in India. Growing demand from power sector in view of Government laying thrust on renewable energy and increasing demand from the households for consumer durables will increase demand for copper in India. Manufacturing of electric vehicles (EV) will also augment consumption of copper as EV use four times more copper than traditional internal combustion engines. Copper is essential to EV technology and its supporting infrastructure and the evolving market will have a substantial impact on copper demand.

The per capita copper consumption in India is expected to increase from the current level of 0.5 Kg to 1 kg by 2025. The average per capita copper consumption in the world is 3.2 kg.

## V. Risks and concerns

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

## VI. Internal control systems and their adequacy

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



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

The financial performance for FY 2019-20 vis-à-vis FY 2018-19 is summarized below:

(₹ in crore)

| Particulars  | 2019-20  | 2018-19 |
|--|----------|---------|
| Turnover   | 803.17   | 1753.44 |
| Value of Production  | 939.95   | 1709.69 |
| Cost of production excluding depreciation, amortization and Finance Cost | 1128.98  | 1171.19 |
| Profit/(Loss) before depreciation, amortization, Finance Cost & Tax      | (188.68) | 538.70  |
| Depreciation, Amortisation   | 288.61   | 252.89  |
| Finance Cost   | 60.42    | 55.46   |
| Profit/ (Loss) Before Tax from Continuing Operation                      | (537.71) | 230.35  |
| Profit/ (Loss) Before Tax from Discontinuing Operation                   | (0.35)   | (0.35)  |
| Profit/(Loss) Before Tax from continuing & discontinuing operation       | (538.06) | 230.00  |
| Provision for taxation -Current  | 8.33     | 91.17   |
| -Deferred  | 22.96    | (6.68)  |
| Profit/ (Loss) After Tax from Continuing & Discontinuing Operation       | (569.35) | 145.51  |

**Capital Expenditure**

During the year, the expenditure on account of Replacements & Renewals (R&R) of plant & machinery, mine expansion, mine development & green field exploration stood at ₹452.96 crore which was funded partially through internal resources of the Company and partly through borrowings from banks and no Government support for capital expenditure was asked for.

**Contribution to Exchequer**

During 2019-20, the Company contributed a sum of ₹194.59 crore to the exchequer by way of duties, taxes and royalties, as against ₹314.69 crore in 2018-19, as detailed below:

| Particulars              | ₹ in crore    |               |
|--------------------------|---------------|---------------|
|                          | 2019-20       | 2018-19       |
| Customs Duty             | 0.14          | 0.11          |
| Sales Tax/GST            | 32.65         | 89.23         |
| Royalty and Cess         | 75.91         | 98.89         |
| Income Tax including TDS | 83.40         | 115.90        |
| Others                   | 2.49          | 10.56         |
| <b>Total</b>             | <b>194.59</b> | <b>314.69</b> |

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

**(i) Manpower**

As on 31.3.2020, the manpower of the Company was 1931. Category-wise break-up is tabulated below.

| Employee Group | Category (No.) |            |            |            |             |
|----------------|----------------|------------|------------|------------|-------------|
|                | Gen            | SC         | ST         | OBC        | Total       |
| A              | 333            | 83         | 29         | 99         | 544         |
| B              | 21             | 4          | 0          | 4          | 29          |
| C              | 512            | 135        | 192        | 153        | 992         |
| D              | 179            | 117        | 46         | 24         | 366         |
| <b>Total</b>   | <b>1045</b>    | <b>339</b> | <b>267</b> | <b>280</b> | <b>1931</b> |

| Employee Group | Special Categories (No.) |           |            |            |
|----------------|--------------------------|-----------|------------|------------|
|                | ESM                      | PwD       | LDP        | Minorities |
| A              | 1                        | 16        | 0          | 29         |
| B              | 0                        | 1         | 0          | 0          |
| C              | 7                        | 4         | 138        | 86         |
| D              | 10                       | 9         | 044        | 19         |
| <b>Total</b>   | <b>18</b>                | <b>30</b> | <b>182</b> | <b>134</b> |

Legends: Group A & B: Executives; Group C & D: Non-Executives; Gen: General; SC: Scheduled Caste; ST: Scheduled Tribe; OBC: Other Backward Class; ESM: Ex-Servicemen; PwD: Persons with Disabilities; LDP: Land Displaced Person.

**(ii) Employment of SC/ST/OBC Community and PwD candidates**

The Company adheres to the prescribed Government guidelines on reservation for SC/ST/OBC/PwD categories in its recruitment activities. The representation of SC, ST, OBC and PwD employees in the total manpower of 1931 as on 31.03.2020 was 17.56%, 13.83%, 14.50% and 1.55% respectively.

(iii) Employment of Women

The Group-wise strength of women employees as on 31.03.2020 vis-à-vis the total employee strength of the Company is given below.

| Group        | No. of Employees |            | Women Employees as % of total Employee |
|--------------|------------------|------------|--|
|              | Total            | Women      |  |
| A            | 544              | 42         | 07.72                                  |
| B            | 29               | 3          | 10.30                                  |
| C            | 992              | 43         | 04.33                                  |
| D            | 366              | 69         | 18.90                                  |
| <b>Total</b> | <b>1931</b>      | <b>157</b> | <b>08.13</b>                           |

(iv) Employee Relations

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

During the FY 2019-20, two meetings of the apex level Bi-partite Forum NJCC were held on 23.09.2019 and 24.12.2019 at Corporate Office, Kolkata. Major issues were discussed and some were resolved.

(v) Human Resource Development

Training and Development, based on identified needs, is given due priority by the Company for all levels of employees to increase employee effectiveness, utilization and productivity as well as to usher in a culture of innovation and creativity with emphasis on deciphering problem-solving skills. In FY 2019-20, 3611 mandays of training were achieved. The Company selectively nominated employees for specialized training Programmes / Workshops / Seminars / Conferences organized by reputed professional organizations and Institutes. In FY 2019-20, the following MoU parameters w.r.t. HR between Ministry of Mines and HCL were achieved:

- Achievement of HR parameters of continuous nature by focusing on the Talent Management and Career Progression by imparting one week training to 5% of Executives in Centre of Excellence (within India), e.g., IIT-Kharagpur, IIT (ISM)- Dhanbad, etc.
- Upgradation of People Capability Maturity Model (PCMM) or its equivalent from second to third level.
- Capability Development Programs for Executives to build their technical & managerial competencies for higher positions with special focus on web learning programs.

(vi) 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.

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

In accordance with the provision of "The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013" & Rules made thereunder, the Company has set up Internal Complaints Committee at all its Units / Offices. A provision in this regard has also been incorporated in the Conduct, Discipline and Appeal Rules. During the year, no complaint was received by the Internal Committee.

(viii) Status of implementation of The Persons with Disability Act, 1995

The number of employees belonging to Persons with Disabilities (PwD) category employed in the Company as on 31.3.2020 was 16 (sixteen) in Group A, 1 (one) in Group B, 4 (four) in Group C and 9 (nine) in Group D, aggregating to 30 (thirty).

- Recruitment: In recruitment matters the reservation for PwD was adhered to as per Government of India directives and duly incorporated in advertisement published, wherever applicable.
- Scholarship: HCL grants scholarship to employees' children under a special scheme. Particular care and wide publicity is given to the scheme. It has specific provision for PwD category children with relaxed eligibility criteria.
- Ramp: Ramps constructed at Hospitals, Works and General / Administrative Offices to enable easy access to elevated areas in buildings and ease of mobility. Provision of wheelchairs in Hospital/main administrative offices in Units / Projects is also available.



- (d) 'Accessibility Audit' of office buildings was carried out in all the five Units.
- (e) Conveyance Allowance: Conveyance Allowance / Transport Subsidy to PwD employees were paid at higher rates than other employees as per Government Directives.

**(ix) Skill Development**

HCL spent 11.76 % of its CSR fund in FY 2019-20 for Skill Development which translates to ₹ 38.92 lakhs of total spending of ₹ 331.01 lakhs.

**a) Kaushal Vikas Yojna**

HCL signed an MoU on 8.11.2019 with National Skill Development Council (NSDC) to impart training, viz., 'Fresh Skilling' for Youth and 'Recognition of Prior Learnings' for Unskilled and Semi-skilled persons. Total 210 persons were trained of whom 30 were freshers and remaining 180 were under Recognition of Prior Learnings. 21 youths trained under 'Fresh Skilling' of this program were placed in reputed companies, e.g., at Tata Motors and others. The average salary of these trainees is around ₹.8000 per month.

**b) Apprenticeship Training:**

HCL imparted apprenticeship training to 314 persons in FY 2019-20. An amount of ₹ 191.94 Lakhs was spent on the training of these apprentices in FY 2019-20.

Further, in FY 2020-21, HCL plans to engage 520 Apprentices, which shall enhance the percentage of apprentices to total manpower.

**c) Skill Development Institute as an Upgraded Training Center:**

A Skill Development Institute was established at Khetri Copper Complex by upgrading the existing Training Center. One Batch of 30 trainees in the trade of 'Winding Engine Driver' is undergoing practical training.

**d) Digital Payments:**

To maximize cashless transactions by the Internal and External customers of HCL, awareness workshops were organized for dissemination of knowledge of the benefits and modes / methodologies of cashless transactions at each of the Units. Bank payments of wages to all Contract Labour have been ensured. No cash transactions were carried out in HCL. To make the campuses of HCL 'Cashless', 14 PoS machines have been installed at Guest House, Directors' Bungalow, Hospitals, Town and General Administration, Finance Department, Cash Sections, etc. in the three mining Units of HCL.

**(x) Swachh Bharat Mission**

Under the Swachh Bharat Mission following initiatives were undertaken by HCL.

**a) Open Defecation Free Villages**

- In FY 2019-20, 40 number of individual household toilets were constructed in villages of East Singhbhum District of Jharkhand under the Swachh Bharat Mission.
- Work for construction of 2 toilets in Government school was completed in Malanjkhanda area of Balaghat District (M.P.).

**b) Swachhta Activities**

In accordance with the Swachh Bharat Abhiyan launched by Govt. of India, intensive Swachhata Pakhwada was organized from 16<sup>th</sup>-31<sup>st</sup> August 2019 and in 16<sup>th</sup>-30<sup>th</sup> November 2019. Activities were undertaken in all Units and Offices including Corporate Office. Details of major activities undertaken are given below.

- a. Upkeep and cleaning of
    - i. Offices including common area premises, Plant and Mines.
    - ii. Residential complexes, pathways and common areas of the Units.
    - iii. Neighboring market, roads and parks surrounding Plant and Mines.
    - iv. Weeding out of old files/records, etc. in offices.
  - b. Conducted awareness campaign in the Schools and neighborhood community.
  - c. Periodic inspection of school toilets to ensure their usability.
- Counselling to villagers on use of household toilets.



**IX. Key financial ratios and details of significant changes therein (i.e. change of 25% or more as compared to the immediately previous financial year) along with detailed explanations thereof:**

| Sr. No. | Key Financial Ratio             | FY 2019-20 | FY 2018-19 | Reason for significant changes (i.e. change of 25% or more)                               |
|---------|---------------------------------|------------|------------|---|
| i.      | Debtors Turnover                | 9.69       | 4.85       | Due to reduction in Debtors at the end of the year.                                       |
| ii.     | Inventory Turnover (times)      | 1.74       | 2.96       | Reduction in Turnover due to lower sales volume as well as price during the current year. |
| iii.    | Interest Coverage Ratio (times) | -7.91      | 5.15       | Due to Loss reported during the current year.   |
| iv.     | Current Ratio                   | 0.71       | 1.31       | Due to decrease in Current assets during the current year.                                |
| v.      | Debt Equity Ratio               | 4.21       | 0.95       | Due to increase in Total Debt & decrease in Other Equity during the current year.         |
| vi.     | Operating Profit Margin (%)     | -66.56%    | 14.19%     | Due to Loss reported during the current year.   |
| vii.    | Net Profit Margin (%)           | -70.89%    | 8.30%      | Due to Loss reported during the current year.   |

**X. Details of any change in Return on Net Worth as compared to the immediately previous financial year along with a detailed explanation thereof.**

Return on Net Worth for FY 2019-20 is negative whereas the same was positive in FY 2018-19 due to loss incurred during the current financial year due to non-lifting of copper concentrate by the buyer owing to reasons attributable to international market and one time write off of closing stock amounting to ₹.257.10 crore arising out of reconciliation of metal content in copper concentrate on inter-unit transfer and sales, assessment of metal loss in generation of Granulated dump slag, handling losses, old and oxidized concentrate. Further, Lean Ore and Mill Scat, containing low grade copper and presently not in use in the manufacturing process, for which a provision amounting to ₹.183.32 crore has been made in the books of accounts. The Company has formulated the Standard Operating Procedure on Inventory Management to strengthen the reconciliation system of inventory throughout the Company.

**FORM NO AOC 2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the Company with Related Parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

| 1  | Details of contracts or arrangements or transactions not at arm's length basis      |                        |                      |                  |
|--|---|------------------------|----------------------|------------------|
|  | NIL   |                        |                      |                  |
| 2  | Details of material contracts or arrangements or transactions at arm's length basis |                        |                      |                  |
| Nature of contracts/ arrangements/ transactions                                    | Name of Related Party   | Nature of relationship | Duration of Contract | Value (₹in lakh) |
| Investment in equity shares and advance given for equity shares awaiting allotment | Chhattisgarh Copper Limited (CCL)**   | Subsidiary             | NA                   | 25.00            |
| Investment in equity shares and advance given for equity shares awaiting allotment | Khanij Bidesh India Limited (KABIL)   | Joint Venture          | NA                   | 75.00            |

(\*\* CCL is not Related Party under the Companies Act, 2013 but disclosed under IND AS 24)



**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:

- 3975 Nos. LED lights were installed in place of high power consuming conventional lights across HCL in FY 2019-20. This resulted into saving of approx. ₹.56 lakh in electricity bills.
- 22 Nos. Premium class IE-3 Energy Efficiency Motors were introduced in place of old conventional Motors in ICC Flash Smelter & Refinery in phased manner at ICC which resulted in annual power saving to the tune of ₹2.05 lakh.
- By virtue of Power Purchase through open access, savings of about ₹25 lakh approximately has been achieved at KCC.
- Slip ring Motor replaced with Squirrel Cage Induction Motor, with VFD control for 1050 cfm compressor at KCC. The replacement cost was around ₹.9 lakh. This will result saving of approx. ₹.1.2 lakh per year. The commissioning work was completed in November, 2019.
- In-house modification in CSM for pneumatically operated circuit to reduce dependency on IR Compressor and power saving has been done at GCP.
- CSM wax heater circuit in-house modification to auto start and stop for energy saving done at GCP.
- Two Nos. VFDs of 90KW installed at GCP for Cooling Water Pumps to save power.
- HCL was able to save ₹3.95 crore during 2019-20 for maintaining power factor near to unity.

(ii) The steps taken by the company for utilizing alternate sources of energy:

- The project for design, supply and installation of solar power plant of various capacities under RESCO model of MNRE has been carried out across HCL with the help of M/s REIL. Under the RESCO model, installation of following solar capacities has been completed in FY 2019-20:
  - ▶ 200 KWp capacity at KCC
  - ▶ 345.5 KWp capacity at MCP
  - ▶ 250 KWp capacity at GCP
- At MCP 41 KWp Rooftop Solar plant already installed under CAPEX model.
- Total 836.5 KWp solar plant implementation completed in HCL till FY 2019-20.
- Another 20 KWp Solar Plant at Indian Copper Complex (ICC), Ghatsila, Jharkhand will be completed in FY 2020-21.
- Approximately ₹.28.67 lakh saved annually in electricity bills by installation of roof top solar projects in 2019-20 across HCL.

(iii) The capital investment on energy conservation equipment: ₹0.58 crore

**(B) Technology Absorption-**

(i) The efforts made towards technology absorption:

- Proposal under preparation for introducing HPGR in crushing unit for enhancing the capacity of concentrator plant at MCP, which is to proceed in two stages: Stage 1- Administrative approval for process audit and Stage 2- Open tender for EPC contract for brown field expansion.
- Mining department of MCP has applied for procurement of Mine design software which is under progress. Also, ore body modelling and digitization of plans and sections for underground project is under progress.
- Paste fill/ hydro fill plant for MCP underground mine- M/s Golder Associates, UK, is carrying out the test work and preparing basic engineering document for the plant.
- Upgradation of 30 years old obsolete DCS control system for drives with new improved version done at TCP.

(ii) The benefits derived like product improvement, cost reduction, product development or import substitution:

Efforts made towards technology absorption has resulted reduction in energy consumption, improved environmental protection, better productivity, reduction in cost and has ensured safety of operations.

(iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)- Nil

(iv) The expenditure incurred on Research and Development – ₹.1.17 crore which are booked under natural heads of accounts.

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

Earnings in foreign exchange

During FY 2019-20, the Company earned foreign exchange of ₹ 461.29 crore as against ₹ 842.67 crore during FY 2018-19 registering a decrease of around 45% through export of Copper Concentrate, anode slime and copper reverts.

Expenditure in foreign currency

During FY 2019-20, the Company spent foreign currency to the tune of ₹ 8.21 crore towards import of raw material, stores & spares, capital goods, other imports, travelling, others etc. as compared to ₹ 72.71 crore in 2018-19 registering a decrease of around 89%.



## 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 of three 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 coordinates Company's CSR initiatives and is assisted by a team of designated officers. A Nodal Officer at each of the three Units coordinates CSR initiatives at Unit level.

#### Scope of activities

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

#### Geographical Span

- (a) The CSR activities are undertaken primarily in and around areas of HCL Units, within a radius of 20 Km. At least 75% of the amount earmarked for CSR activities shall be spent in these areas.
- (b) Of the remaining 25% of the CSR allocation after (a) above, around 15-20% may be utilized in areas beyond 20 Km. of the Unit but within the State in which the Units are located. Up to a maximum of 5% of the amount earmarked for CSR activities may be utilized anywhere in India to be decided by the CMD.

#### Planning

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

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

#### Implementation methodology

The CSR activities / projects are implemented using internal resources or through collaborating with NGOs / specialized agencies / trusts / institutions / foundations / societies / Government bodies, etc., in accordance with the provisions of 'The 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 Company's website ([www.hindustancopper.com](http://www.hindustancopper.com))

### 2. Composition of the CSR Committee

- i. Shri Balwinder Singh Canth, Independent Director -Chairman
- ii. Shri Pawan Kumar Dhawan, Independent Director - Member
- iii. Director (Finance) - Member

### 3. Average net profit [read: Profit Before Tax] of the Company for last three financial years

Rs 14862.78 Lakhs





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

Rs 297.26 Lakhs

**5. Details of CSR spent during FY 2019-20**

(a) Total amount to be spent for FY 2019-20: ₹ 345.58 Lakhs\*

\*(The allocated amount of ₹ 345.58 Lakhs includes Unspent CSR amount of previous year)

(b) Amount unspent, if any : ₹ 14.58 Lakhs

(c) Manner in which the amount spent during the FY 2019-20 is detailed below.

| (1)     | (2)   | (3)  | (4)   | (5)  | (6)   | (7)  | (8)   |
|---------|---|--|---|--|---|--|---|
| Sl. No. | CSR project or activity identified          | Sector in which the Project is covered   | Projects or programs<br>(1) Local area or other<br>(2) Specify the State and district where projects or programs was undertaken | Amount outlay (budget) project or programs-wise (₹ in Lakhs) | Amount spent on the Projects or programs Sub-heads<br>(1) Direct expenditure on projects or programs.<br>(2) Overheads (₹ in Lakhs) | Cumulative expenditure up to the reporting period (₹ in Lakhs) | Amount spent: Direct or through implementing agency   |
| 1       | Drinking Water, Health and Sanitation       | Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water   | Dist- East Singhbhum, Jharkhand   | 50.28  | 49.40   | 49.40  | M/s Vidyaniketan, Ghatsila, M/s Jugal & Co., M/s Shamayita Math, M/s Hospital Management Society Ghatsila, East Singhbhum                       |
|         |   |  | Dist- Balaghat, Madhya Pradesh  | 53.20  | 53.20   | 53.20  | M/s Thakre Krishi Farm<br>M/s Santosh Patle, Direct   |
|         |   |  | Dist- Jhunjhunu, Rajasthan<br>Dist- Kolkata, West Bengal  | 0.22<br>25.67  | 0.22<br>25.46   | 0.22<br>25.46  | M/s HLL Life Care Ltd<br>M/s Ganadeepayan Society for Action Research and Development   |
| 2       | Education, Vocational Skills and Livelihood | Promoting education including special education and employment enhancing skills especially among children, women and elderly and the differently abled and livelihood enhancement projects | Dist- East Singhbhum, Jharkhand   | 57.72  | 46.43   | 46.43  | M/s Shamayita Math, M/s EdCIL (India) Limited, M/s Mona Generator Services (P) Ltd., NSDC   |
|         |   |  | Dist- Balaghat, Madhya Pradesh  | 11.32  | 10.82   | 10.82  | NSDC, Direct, School Management Committees, Malanjkhanda Schools  |
|         |   |  | Dist- Jhunjhunu, Rajasthan  | 56.08  | 56.08   | 56.08  | M/s Skill Council for Mining Sector and NSDC, M/s Nasirudeen Contractor, M/s Relax Mechanical and Construction, M/s Ram Krishna Mission, Khetri |
|         |   |  | Dist- Kolkata, West Bengal  | 1.79   | 1.79  | 1.79   | M/s CSRL, M/s Serve India   |



|                    |  |   |                                 |               |               |               |   |
|--------------------|--|---|---------------------------------|---------------|---------------|---------------|---|
| 3                  | Environmental Conservation                 | Ensuring environmental sustainability, ecological balance, protection of flora and fauna, conservation of natural resources and maintaining quality of soil, air and water. | Dist- East Singhbhum, Jharkhand | 0.99          | 0.68          | 0.68          | M/s Vidyanketan   |
|                    |  |   | Dist- Balaghat, Madhya Pradesh  | 9.49          | 9.49          | 9.49          | M/s Sainath Constructions   |
|                    |  |   | Dist- Jhunjhunu, Rajasthan      | 10.69         | 10.69         | 10.69         | M/s Teja Ram Choudhary, M/s Somra Construction Co., M/s Hari Singh                                    |
| 4                  | Sports                                     | Training to promote rural sports, nationally recognised sports, Paralympics sports and Olympic sports   | Dist- East Singhbhum, Jharkhand | 10.80         | 10.67         | 10.67         | Direct, M/s Shamayita Math, M/s Garg Engineering & Constructions Pvt. Ltd. State Government           |
|                    |  |   | Dist- Balaghat, Madhya Pradesh  | 2.00          | 2.00          | 2.00          |   |
|                    |  |   | Dist- Jhunjhunu, Rajasthan      | 27.98         | 27.49         | 27.49         | M/s Mahalaxmi Construction Company  |
|                    |  |   | District- Kolkata, West Bengal  | 1.10          | 1.10          | 1.10          | M/s Ram Krishna Mission Blind Boys Academy  |
| 5                  | Promotion of Culture and National Heritage | Promotion and support for Culture and Restoration of National Heritage Building   | Dist- Jhunjhunu, Rajasthan      | 11.59         | 11.59         | 11.59         | M/s Ram Krishna Mission, Khetri   |
|                    |  |   | District- Kolkata, West Bengal  | 1.00          | 1.00          | 1.00          | M/s Table Wizard Pt. Chaturlal Memorial Society   |
| 6                  | Miscellaneous                              | Miscellaneous activities, Management Cost, Institutional Cost, WCST etc.  | Dist- East Singhbhum, Jharkhand | 6.85          | 6.77          | 6.77          | M/s Shamayita Math  |
|                    |  |   | Dist- Balaghat, Madhya Pradesh  | 1.77          | 1.77          | 1.77          | Direct  |
|                    |  |   | District- Kolkata, West Bengal  | 5.04          | 4.35          | 4.36          | M/s Confederation of Indian Industry, M/s Datamation Consultancy Pvt. Ltd., M/s Sanket Communications |
| <b>GRAND TOTAL</b> |  |   |                                 | <b>345.58</b> | <b>331.00</b> | <b>331.01</b> |   |

**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.

Arun Kumar Shukla  
Chairman and Managing Director  
DIN: 03324672

Balwinder Singh Canth  
Chairman - CSR Committee  
DIN: 07239321

Place: Kolkata

Date: 21.7.2020

**Business Responsibility Report****Section A: General Information about the Company**

1. Corporate Identity Number (CIN) of the Company: L27201WB1967GOI028825
2. Name of the Company: Hindustan Copper Limited
3. Registered Address:  
"Tamra Bhavan"  
1 Ashutosh Chowdhury Avenue  
Kolkata 700019  
Tel. No.: 033-2283 2226/2529  
Fax no.: 033-2283 2478/2640
4. Website: www.hindustancopper.com
5. E-mail: investors\_cs@hindustancopper.com
6. Financial Year Period: 2019-2020
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:
  - Refined 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 : 13

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

| Plants  |
|---|
| Khatri 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 (GCP), Gujarat                         |

| Godowns                  |
|--------------------------|
| Jaipur, Rajasthan        |
| Sahibabad, Uttar Pradesh |
| Bangalore, Karnataka     |
| Kolkata, West Bengal     |

**10. Markets served by the Company (Local / State / National / International): National/ International****Section B: Financial Details of the Company**

1. Paid up Capital: ₹462.61 crore
2. Total Turnover: ₹803.17 crore



3. Total Profit/(Loss) after taxes from continuing & discontinuing operations: ₹(569.35) crore
4. Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%): NA
5. List of activities in which expenditure in 4 above has been incurred:
  - a. Drinking Water, Health and Sanitation
  - b. Vocational Skills and Livelihood
  - c. Environment
  - d. Promotion of sports in rural areas
  - e. Promotion of Culture and Heritage
  - f. Administrative and Training Cost

**Section C: Other Details****1. Does the Company have any Subsidiary Company / Companies?**

Yes

**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).**

Subsidiary Company namely, Chhattisgarh Copper Ltd was incorporated on 21.5.2018. At present it is not contributing to the BR initiative.

**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:**

|             |                             |
|-------------|-----------------------------|
| <b>DIN</b>  | <b>08173882</b>             |
| Name        | Sukhen Kumar Bandyopadhyay  |
| Designation | Director (Finance)          |
| Phone       | 033-2282 0702               |
| Mail Id     | sukhenb@hindustancopper.com |

**b) Detail of the BR head**

|             |                                |
|-------------|--------------------------------|
| <b>DIN</b>  | <b>03324672</b>                |
| Name        | Arun Kumar Shukla              |
| Designation | Chairman and Managing Director |
| Phone       | 033-2287 0325                  |
| Mail Id     | cmd@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.

2 (a) Details of compliance (Reply in Y/N)

| 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? If 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 ongoing process to cover all internal and external stakeholders. |                        |                      |                        |              |             |               |     |                    |
| 8       | Does the Company have in-house structure to implement the policy/policies?   | Y   | Y                      | Y                    | Y                      | Y            | Y           | Y             | Y   | Y                  |
| 9       | Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies? | Y   | Y                      | Y                    | Y                      | Y            | Y           | N             | Y   | Y                  |
| 10      | Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?                                | N   | N                      | N                    | N                      | N            | Y           | N             | Y   | N                  |

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

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

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



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

**3. Governance related to BR:**

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

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

**Section E: Section Wise Performance**

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

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

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

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

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

Yes. It extends to the Suppliers, Contractors, Business Partners and all other associated entities. The Company is a signatory of 'Integrity Pact' with Transparency International India wherein the Integrity Pact is signed between the bidders and the Company for all contracts valuing ₹.10 crore and above and for all purchase valuing ₹.20 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: During 2019-20 the Company received and resolved one complaint and there was no complaint pending as on 31.3.2020.
- Public Grievances: 92 cases were received during FY2019-20 and 13 were carried forward from FY 2018-19. 99 grievances were redressed in the year.
- Customer Grievance: 1 Customer grievance was received and resolved during 2019-20 and there was no outstanding grievance as on 31.3.2020



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:

|                     |  |
|---------------------|--|
| Employees           | <ul style="list-style-type: none"> <li>• Grievance Redressal System</li> <li>• Whistle Blower Policy</li> </ul>  |
| Trade Unions        | Bipartite Forum at Unit/National level for the Company   |
| Shareholders        | At dedicated email id- investors_cs@hindustancopper.com  |
| Consumers/Customers | Grievance Redressal through Marketing Department   |
| Public in General   | Public Grievance System of the Ministry.<br>Centralized Public Grievance Redress and Monitoring System (CPGRAMS) developed and monitored by Department of Administrative Reforms and <i>Public Grievances for online receipt and disposal of public grievances</i> |

### 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. Metal in concentrate, 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 increase levels of recovery and recycling, as well as making investments in environment friendly technology/process to reduce energy intensity, toxicity and waste.

**Energy Conservation:** Energy consumption is constantly monitored at the mines, plants and townships with a view to achieve overall reduction. In place of conventional lights, LED lights have been installed in all five units to save energy and environment. Total 7.4 lakhs units of electricity has been saved in FY 2019-20 by these LED lights.

**Water usage efficiency:** Used water is reclaimed and re-used in order to conserve water. Used water is treated in effluent treatment plants before reuse. The processes are also reviewed and modified so as to reduce the requirement of water from time to time. Treated effluent water is used in horticultural purposes. MCP has constructed Tamra-Jheel at HCL/MCP Colony for recharge of Ground water. In FY 2019-20 the project has recycled waste water about 50% of total process water requirement.

**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 continued to follow multi-modal transportation which is not only efficient & cost effective, but also environmental friendly. Further, improvements over the years through sealing of containers has successfully reduced the amount of dust emitted thus reducing the pollution level as well as wastage. Recently HCL has in a number of cases started movement of concentrate from respective units in EXIM Containers for export sale purpose, which is very cost effective and also minimizes the transit losses.

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

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

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

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



Currently, the Company recycles 5-10% of its waste generated internally.

Entire 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 at ICC. 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. Waste rock at MCP has been successfully auctioned, which will be executed in FY 2020-21 and will be utilized by Construction Industries.

With the help of latest technology, recovery of nickel, copper and sulphuric acid from the spent electrolyte (waste stream) of ICC refinery is being carried out.

### Principle 3: Welfare of Employees

*Businesses should promote the well-being of all employees.*

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

1931 as on 31<sup>st</sup> March, 2020.

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

The number of employees hired on contract during FY 2019-20 was 139. There was no employee hired on temporary / casual basis.

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

157 as on 31<sup>st</sup> March, 2020.

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

30 as on 31<sup>st</sup> March, 2020.

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

Yes.

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

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

**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 2019-20 | Complaints pending at the end of FY 2019-20 |
|------|---|--|---|
| 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                    | 64 |
| Permanent Women Employees              | 26 |
| Casual/Temporary/Contractual Employees | 44 |
| Employees with Disabilities            | 54 |

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 Programs / 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 has undertaken 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 initiatives were selected on the basis of the Base-line Survey. The Base-line Surveys were conducted within 20 Kms radius around the Mining areas to identify feasible need-based CSR projects for the respective communities from the peripheral villages. The needs of the Community especially disadvantaged and marginalized amongst them, were prioritized.

**Principle 5: Human Rights**

*Businesses should respect and promote human rights.*

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

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

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

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

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

Please see reply to question no. 3 under Principle 1 above.

**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 Joint Ventures, suppliers, contractors, NGOs and others (wherever applicable) 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. Total 836.5 kWp solar plant implementation has been completed in HCL till FY 2019-20 and another 20 kWp solar Plant will be completed at ICC in FY 2020-21. During the year around 5.2 lakh units were generated through these solar plants. 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 undertaken various initiatives for adoption of clean technology, exploitation of Renewable energy sources and improvement in energy efficiency etc. The details are given below:



Energy Conservation:

- High wattage conventional lights have been replaced by low power consuming LED lights across all the units of HCL.
- HCL has saved ₹3.95 crores during the period FY 2019-20 for maintaining power factor near to unity.
- Slip ring Motor replaced with Squirrel Cage Induction Motor, with VFD control for 1050 cfm compressor at KCC which will save an amount of approx. ₹1.2 lakh per year.
- 22 Nos. Premium class IE-3 Energy Efficiency Motors were introduced in place of old in-efficient Motors in Flash Smelter & Refinery at ICC in phased manner which resulted in annual power saving to the tune of ₹2.05 lakhs
- Two Nos. VFDs of 90 KW installed for Cooling Water Pumps to save power at GCP.
- Best practices of energy conservation are adopted across the organization which resulted in reduction in energy consumption.

New Technologies:

- Upgradation of obsolete DCS control system for drives with new improved version is completed at TCP.
- New dosing system for collector and frother in floatation cells is being adopted in concentrator plant at MCP.
- Test work and preparation of basic engineering document for the Paste fill/ hydro fill plant for MCP underground mine is being carried out.

R&D Projects:

- ICC R&D activity was carried out and established an experiment for Extraction and Recovery of Copper metal from ESP dust by Leaching and Electro wining.
- NABL accreditation for laboratory at ICC & TCP is under progress.

Renewable energy:

- 41 KWp Rooftop Solar plant has already been installed at MCP.
- 795.5 kWp capacity solar power plant implementation has been completed at various units of HCL in FY 2019-20 under RESCO model of MNRE, GoI. Hence, total 836.5 kWp solar plant implementation has already been completed in HCL till FY 2019-20.
- Another 20 kWp Rooftop Solar Plant at ICC will be completed in FY 2020-21.

Environment:

The Company has an Environment Management Plan, approved by the Board and it covers prevention, mitigation and control of environmental damages and disasters.

The Company has resorted to extensive plantation around the mining and township areas at the units to maintain the green environment. Reforestation and setting up of recreational eco-parks like Pragati Park, plantation of trees and enhancement of the green cover around mining lease, concentrator plant and within project area have been undertaken at MCP.

Mine water and dump seepage is being completely used for processing in concentrator plant by installing matching pumps in reclamation pond and WTP, this has brought down the consumption of fresh water. It has also paved way for using mine waste dump seepage water and tailing seepage water for usage in plant operation.

Two Nos. of Rain water harvesting system has been made for ground water recharge at ICC. MCP unit has recycled waste water about @ 50% of total process water requirement in FY 2019-20.

Online Emission Monitoring system for Stacks and Effluent monitoring system for CETP final treated discharge water has been installed at ICC and data will be transmitted to CPCB in every 15 minutes.

Environmental Management Systems of MCP meet ISO 14001:2015 standards both at mines and concentrator plant.

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 parties. Wastes like copper ore tailings and waste rock are safely stored on temporary basis for further recycling, reusing and disposing 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 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, All India Management Association, Women in Public Sector, Indian Society of Training & Development, Indian Copper Development Centre, Indian National Suggestion Schemes Association, National Institute of Personnel Management, Quality Circle Forum of India, Indian Primary Copper Producers Association.

**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 in all its operations and is committed to long term, mutually beneficial partnership between the communities, Government & the stakeholders. The Corporate Social Responsibility (CSR) plan of the Company is prepared based on the Baseline Survey, using Participatory Rural Appraisal Method and inputs from stakeholders.

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

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

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

HCL conducts impact assessment of its CSR projects biennially. Impact assessment of the CSR projects of FY 2016-17 and FY 2017-18 was completed in May, 2019.

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

In 2019-20, an amount of ₹.331 Lakhs was spent on community development projects. The details of the project undertaken are given in Point no. 5 below.

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

All projects were planned after Baseline Surveys conducted among the target communities through Participatory Rural Appraisal (PRA) methods and inputs from stakeholders. User-groups from the local area are formed, who finally own the projects. Additionally, formation of user-groups for the facilities ensures that the community development initiatives are successfully adopted by the community. The continuation of the CSR initiatives, i.e., Health Camps, Education support for students, Handloom Weaving Units, Hand gloves unit, Drinking Water Supply, Nutrition Project, Construction of Household Toilets, Skill Development Training and support for Sports indicates that the community has adopted them whole-heartedly.

Also, the third party assessment study, reviews the extent of community ownership and success of the planned projects. Feedback of communities is factored into selecting CSR projects for the next financial year.

**Principle 9: Value to Customers**

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

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

Nil

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

Yes

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

Nil

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

Yes. Consumer satisfaction survey is an integral part of the Company in line with ISO 9001:2015 QMS certification with effect from June, 2018.

**CORPORATE GOVERNANCE REPORT****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 report, the Board of Directors is comprised of two functional directors, viz., Chairman and Managing Director (CMD) and Director (Finance), two Government nominee directors (part-time official) representing the Ministry of Mines, Government of India and four Independent directors (part-time non-official). The Board however does not have woman director with effect from 16.11.2019 against the requirement of at least one such director on the Board. While at present 50% of the Board consists of Independent Directors, as and when two vacant posts of functional Directors [viz, Director (Operations) and Director (Mining)] are filled up, vacancy of additional two Independent Directors would arise and to be filled by the Government. The Company has requested the Ministry of Mines, Government of India to fill up the vacant posts of Directors.

During the year, the Department of Public Enterprises, Ministry of Heavy Industries and Public Enterprises vide Office Memorandum F. No. 9(2)/2019-MGMT dated 5.3.2020 has abolished the post of Director (Personnel) as part of restructuring of the Board of HCL.

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

During 2019-20, nine Board meetings were held on 25.4.2019, 28.5.2019, 20.7.2019, 10.8.2019, 16.9.2019, 16.10.2019, 14.11.2019, 27.12.2019 and 13.2.2020. Attendance of directors at Board meetings and at the last Annual General Meeting (AGM), number of directorship and membership in committees of other companies, including the names of the listed entities where they are director and category thereof is as follows:

**(i) Functional/ Executive Directors**

| Name of the director                                     | No of Board meetings attended out of 9 held | Attendance at last AGM held on 31.7.2019 | No of directorship in other companies | No of committee position held in other companies |        | Category of directorship in other listed entities |
|--|---|--|---------------------------------------|--|--------|---|
|  |   |  |                                       | Chairman   | Member |   |
| Shri Arun Kumar Shukla*<br>CMD                           | 9   | No                                       | 2                                     | Nil  | Nil    | Nil   |
| Shri Santosh Sharma**<br>CMD                             | 8   | Yes                                      | NA                                    | NA   | NA     | NA  |
| Shri Sanjay Kumar<br>Bhattacharya**<br>Director (Mining) | 8   | Yes                                      | NA                                    | NA   | NA     | NA  |
| Shri Sukhen Kumar<br>Bandyopadhyay<br>Director (Finance) | 9   | Yes                                      | 1                                     | Nil  | Nil    | Nil   |
| Shri Anupam Anand#<br>Director (Personnel)               | NA  | NA                                       | NA                                    | NA   | NA     | NA  |

(\*Took over as CMD w.e.f. 1.1.2020, \*\*Ceased to be director w.e.f. 31.12.2019, #Under suspension from 11.4.2019 and ceased to be director w.e.f. 4.8.2019)



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

| Name of the director       | No of Board meetings attended out of 9 held | Attendance at last AGM held on 31.7.2019 | No of directorship in other companies | No of committee position held in other companies |        | Category of directorship in other listed entities |
|----------------------------|---|--|---------------------------------------|--|--------|---|
|                            |   |  |                                       | Chairman   | Member |   |
| Shri Niranjan Kumar Singh# | 5   | No                                       | NA                                    | NA   | NA     | NA  |
| Shri Satendra Singh##      | 1   | NA                                       | NA                                    | NA   | NA     | NA  |
| Shri Alok Chandra          | 9   | No                                       | 1                                     | Nil  | Nil    | Nil   |
| Shri Sanjeev Verma###      | NA  | NA                                       | Nil                                   | Nil  | Nil    | Nil   |

(#Ceased to be director w.e.f.14.10.2019,## Director from 1.1.2020 to 7.8.2020 ### Appointed director w.e.f 7.8.2020)

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

| Name of the director              | No of Board meetings attended out of 9 held | Attendance at last AGM held on 31.7.2019 | No of directorship in other companies | No of committee position held in other companies |        | Category of directorship in other listed entities |
|-----------------------------------|---|--|---------------------------------------|--|--------|---|
|                                   |   |  |                                       | Chairman   | Member |   |
| Smt Simantini Jena*               | 7   | Yes                                      | NA                                    | NA   | NA     | NA  |
| Shri Hemant Mehtani*              | 7   | Yes                                      | NA                                    | NA   | NA     | NA  |
| Shri Dileep Raj Singh Chaudhary** | 6   | Yes                                      | NA                                    | NA   | NA     | NA  |
| Shri Subhash Sharma               | 8   | Yes                                      | 1                                     | Nil  | Nil    | Nil   |
| Shri R Kalyansundaram#            | 6   | Yes                                      | Nil                                   | NA   | NA     | Nil   |
| Shri Pawan Kumar Dhawan#          | 6   | Yes                                      | Nil                                   | NA   | NA     | Nil   |
| Shri Balwinder Singh Canth#       | 6   | Yes                                      | Nil                                   | NA   | NA     | Nil   |

(\*Ceased to be director w.e.f. 16.11.2019, \*\* Ceased to be director w.e.f. 30.11.2019, #Appointed as director w.e.f. 22.7.2019)

(c) **Skills/expertise/competence of the Board of Directors:**

As against skill/ expertise / competence in the fields of Mining, Metallurgy, Finance, Legal, Public Policy and Administration identified by the Board, the present Board Members possess the following:

| Sr. No. | Name and Designation                                  | Skills/ expertise/ competence available   |
|---------|---|---|
| 1.      | Shri Arun Kumar Shukla<br>CMD                         | B. Tech (Mining Engg.) M. Tech. (Environmental Engg.), LLB and expertise in mining, operations, legal and administration.   |
| 2.      | Shri Sukhen Kumar Bandyopadhyay<br>Director (Finance) | B.Sc., Cost Accountant and having expertise in finance, audit & accounts, management and policy formulation.  |
| 3.      | Shri Alok Chandra<br>Government Nominee Director      | MA (Economics), Indian Economic Service officer presently Economic Adviser, Ministry of Mines, GoI and having expertise in economics, finance and policy formulation.   |
| 4.      | Shri Sanjeev Verma<br>Government Nominee Director     | B.E.(Civil), Indian Railway Stores Service Officer presently Director, Ministry of Mines, GoI and having expertise in e-procurement, digital supply chain, contract management, policy formulation and working in Government and Public Sector. |
| 5.      | Shri Subhash Sharma<br>Independent Director           | B. Sc., MA & Ph D Economics, Academician and frequently writes articles on economics.   |
| 6.      | Shri R. Kalyansundaram<br>Independent Director        | B.E. (Mechanical Engineering), M.B.A and Industrialist, having expertise in business management engineering and manufacturing industry  |
| 7.      | Shri Balwinder Singh Canth<br>Independent Director    | B. Com, LLB and Master of Personnel Management and Industrial Relations, having expertise in marketing, logistics, supply & distribution and personnel management   |
| 8.      | Shri Pawan Kumar Dhawan<br>Independent Director       | B. Com, FCA, AICMA, DISA (ICA), having expertise in finance, audit, Accounts, Taxation, Financial and Investment planning.  |



- (d) None of the directors of the Company are inter se related. As per declaration given, none of the non-executive directors are holding any equity shares / convertible instruments in the Company. Familiarization program imparted to Independent Directors is available at the Company' website at [www.hindustancopper.com](http://www.hindustancopper.com).
- (e) It is confirmed that in the opinion of the Board, the Independent Directors fulfill the conditions specified in SEBI (LODR) 2015 and are independent of the management.
- (f) Detailed reasons for resignation of Independent Director(s) before the expiry of tenure along with a confirmation by such Director(s) that there are no other material reasons other than those provided: No Independent Director resigned during the year and hence not applicable.

**(g) Remuneration paid to Directors**

**(i) Whole-time Directors**

The details of remuneration paid to the whole-time Directors during 2019-20 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 Arun Kumar Shukla<br>CMD                         | 41,09,143  | NA                                | Medical : 88,161<br>Accommodation : 5,48,171<br>Electricity : 39,240<br>Meal Coupon : 22,500 | 48,07,215          |
| Shri Santosh Sharma<br>CMD                            | 31,35,557  | 5,25,275                          | Medical : Nil<br>Accommodation : 7,41,616<br>Electricity : 28,584<br>Meal Coupon : Nil       | 44,31,032          |
| Shri S K Bhattacharya<br>Director (Mining)            | 82,99,285  | 4,40,570                          | Medical : 9,382<br>Accommodation : 5,76,910<br>Electricity : 28,389<br>Meal Coupon : 15,000  | 93,69,536          |
| Shri Sukhen Kumar Bandyopadhyay<br>Director (Finance) | 45,48,153  | NA                                | Medical : 7,731<br>Accommodation : 6,31,343<br>Electricity : 31,576<br>Meal Coupon : 22,500  | 52,41,303          |
| Shri Anupam Anand<br>Director (Personnel)             | 7,11,753   | Nil                               | Medical : 784<br>Accommodation : 3,42,367<br>Electricity : Nil<br>Meal Coupon : Nil          | 10,54,904          |
| <b>Total</b>  | <b>2,08,03,891</b>   | <b>9,65,845</b>                   | <b>31,34,254</b>   | <b>2,49,03,990</b> |

(During FY 2019-20, an amount of ₹1,54,951/- was paid to Shri K D Diwan, Ex-CMD towards payment of PRP.)

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

Independent directors are not paid any remuneration except sitting fees at the rate of ₹15,000/- per Board meeting and per Committee meeting and are also eligible for boarding, lodging and travelling expenses for attending the meeting. During 2019-20, the amount of sitting fees paid to Independent directors was as follows:

| SI No | Name of the director            | Sitting Fees (₹) |                    |                  |
|-------|---------------------------------|------------------|--------------------|------------------|
|       |                                 | Board meetings   | Committee meetings | Total            |
| 1     | Smt Simantini Jena              | 1,05,000         | 45,000             | 1,50,000         |
| 2     | Shri Hemant Mehtani             | 1,05,000         | 1,05,000           | 2,10,000         |
| 3     | Shri Dileep Raj Singh Chaudhary | 90,000           | 90,000             | 1,80,000         |
| 4     | Shri Subhash Sharma             | 1,20,000         | 1,65,000           | 2,85,000         |
| 5     | Shri R Kalyansundaram           | 90,000           | 75,000             | 1,65,000         |
| 6     | Shri Pawan Kumar Dhawan         | 90,000           | 60,000             | 1,50,000         |
| 7     | Shri Balwinder Singh Canth      | 90,000           | 45,000             | 1,35,000         |
|       | <b>Total</b>                    | <b>6,90,000</b>  | <b>5,85,000</b>    | <b>12,75,000</b> |





Sitting fees rate for Board and Committee meetings has been revised to ₹25,000/- and ₹20,000/- respectively w.e.f. 1.6.2020.

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

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

**Service contracts, notice period, severance fee:**

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

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

Part time non-official (Independent) directors are appointed by the President of India for a period of three years. HCL being a Government Company, performance evaluation of its Independent directors and criteria of evaluation is decided and undertaken by the Government.

No stock option has been given to the Directors of HCL.

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

**3. Audit Committee**

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

During 2019-20, the Committee met seven times on 25.4.2019, 28.5.2019, 10.8.2019, 16.9.2019, 14.11.2019, 27.12.2019 and 13.2.2020. The composition of the Committee and attendance of the members at the meetings is given below:

| Name                              | Category             | Position | Number of meetings attended out of 7 held |
|-----------------------------------|----------------------|----------|---|
| Shri Pawan Kumar Dhawan*          | Independent Director | Chairman | 2   |
| Shri Hemant Mehtani**             | -do-                 | -do-     | 5   |
| Shri Subhash Sharma               | -do-                 | Member   | 6   |
| Shri R Kalyansundaram*            | -do-                 | -do-     | 2   |
| Shri Dileep Raj Singh Chaudhary** | -do-                 | -do-     | 4   |

(\*Appointed as chairman / member from 15.11.2019, \*\*Ceased to be chairman / member w.e.f. 15.11.2019)

**4. Nomination and Remuneration Committee**

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

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

During 2019-20, the Committee met once on 13.2.2020. The composition of the Committee and attendance of the members at the meetings is given below:

| Name                              | Category             | Position | Number of meeting attended out of 1 held |
|-----------------------------------|----------------------|----------|--|
| Shri Subhash Sharma*              | Independent Director | Chairman | 1  |
| Shri R Kalyansundaram*            | -do-                 | Member   | 1  |
| Shri Balwinder Singh Canth*       | -do-                 | Member   | 1  |
| Shri Dileep Raj Singh Chaudhary** | -do-                 | Chairman | NA                                       |
| Smt. Simantini Jena**             | -do-                 | Member   | NA                                       |

(\*Appointed as chairman / member from 15.11.2019, \*\*Ceased to be chairman / member w.e.f. 15.11.2019)



## 5. Stakeholders Relationship Committee

During 2019-20, the Stakeholders Relationship Committee met once on 13.2.2020. The composition of the Committee and attendance of Members at the meeting is given below:

| Name                            | Category             | Position | Number of meeting attended out of 1 held |
|---------------------------------|----------------------|----------|--|
| Shri R Kalyansundaram*          | Independent Director | Chairman | 1  |
| Shri Subhash Sharma             | -do-                 | -do-     | 1  |
| Shri Hemant Mehtani**           | -do-                 | Member   | NA                                       |
| Shri Sukhen Kumar Bandyopadhyay | Director (Finance)   | -do-     | 1  |

(\*Appointed as chairman from 15.11.2019, \*\*Ceased to be member w.e.f. 15.11.2019)

Shri C S Singhi, Company Secretary is the Compliance Officer. During 2019-20 the Company received and resolved one complaint and there was no complaint pending as on 31.3.2020.

## 6. General body meeting

### Annual General Meeting:

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

| Year    | Date      | Time     | Location  | Number of special resolutions passed |
|---------|-----------|----------|---|--------------------------------------|
| 2017-18 | 22.8.2017 | 10:30 AM | Tamra Bhavan, 1 Ashutosh Chowdhury Avenue, Kolkata- 700019                              | 1                                    |
| 2018-19 | 27.9.2018 | 11:00 AM | Biswa Bangla Convention Centre, Biswa Bangla Sarani, Block DG, New Town, Kolkata 700156 | 3                                    |
| 2019-20 | 31.7.2019 | 11:00 AM | -do-  | 7                                    |

### Extraordinary General Meeting: Nil

Postal Ballot Meeting: No special resolution was passed last year through postal ballot. No special resolution is proposed to be conducted through postal ballot in the ensuing AGM. Person who conducted postal ballot exercise and procedure of postal ballot is therefore not applicable.

## 7. Means of communication:

The quarterly and annual financial results are generally published in Business Standard (English) and Anand Bazar Patrika / Bartaman (Bengali). The financial results are also made available at the Company's website [www.hindustancopper.com](http://www.hindustancopper.com) in addition to furnishing of the same to the NEAPS portal of NSE and Listing Centre portal of BSE. Presentations made to institutional investors or to analysts are available at the Company's website.

## 8. General Shareholder information

(i) 53<sup>rd</sup> Annual General Meeting (AGM)

Date : 29<sup>th</sup> September, 2020 (Tuesday)

Time : 11 AM

Venue : Not applicable as the Company is conducting meeting through VC / OAVM pursuant to the MCA Circular dated 5<sup>th</sup> May, 2020 and for details please refer to Notice convening the AGM.

(ii) Financial Year : From 1<sup>st</sup> April to 31<sup>st</sup> March each year

(iii) Book closure date : 23<sup>rd</sup> September, 2020 to 29<sup>th</sup> September, 2020 (both days inclusive)

(iv) Dividend payment date: In view of losses, no dividend will be paid for FY 2019-20.

(v) Listing on Stock Exchanges:

| Name of Stock Exchanges                  | Address   | Stock Code | Date from which listed | Payment of listing fee for FY 2019-20 |
|--|---|------------|------------------------|---------------------------------------|
| BSE Limited                              | Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001                           | 513599     | 2.8.1994               | Yes                                   |
| National Stock Exchange of India Limited | Exchange Plaza, C-1, Block G, Bandra-Kurla Complex, Bandra (East), Mumbai 400 051 | HINDCOPPER | 15.9.2010              | Yes                                   |



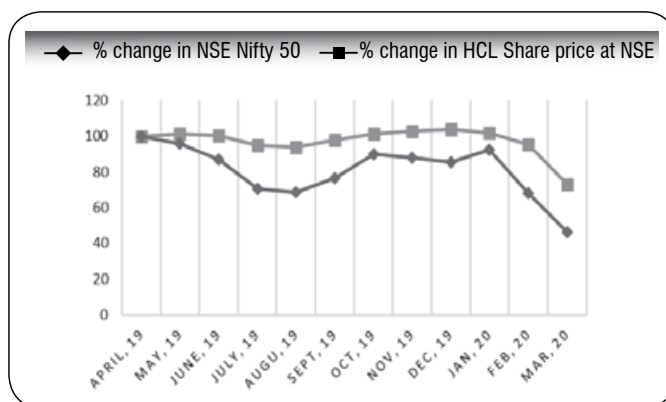
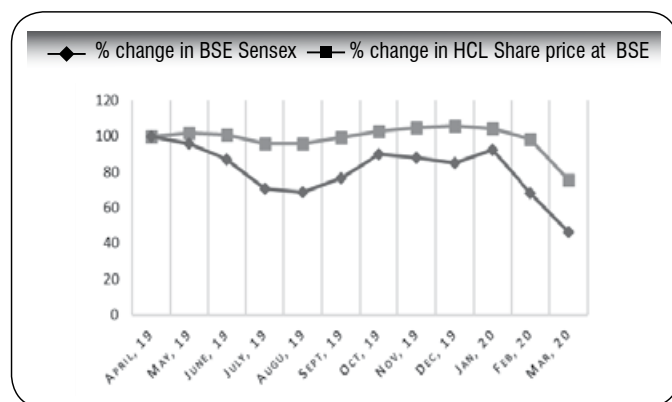
(vi) Stock market price data

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 2019-20 was as follows:

(In ₹)

| Month           | BSE   |       |       | NSE   |       |       |
|-----------------|-------|-------|-------|-------|-------|-------|
|                 | High  | Low   | Close | High  | Low   | Close |
| April, 2019     | 51.55 | 45.85 | 46.00 | 51.50 | 45.85 | 46.05 |
| May, 2019       | 47.30 | 39.95 | 44.10 | 47.40 | 39.50 | 44.15 |
| June, 20219     | 45.15 | 37.65 | 39.90 | 45.15 | 37.75 | 39.95 |
| July, 2019      | 40.95 | 30.75 | 32.50 | 41.00 | 30.85 | 32.50 |
| August, 2019    | 33.60 | 27.9  | 31.60 | 33.60 | 27.85 | 31.60 |
| September, 2019 | 41.65 | 30.55 | 35.15 | 41.65 | 30.50 | 35.20 |
| October, 2019   | 43.55 | 28.55 | 41.40 | 43.55 | 28.60 | 41.40 |
| November, 2019  | 44.65 | 36.95 | 40.50 | 44.70 | 36.90 | 40.45 |
| December, 2019  | 42.35 | 36.00 | 39.15 | 42.35 | 36.00 | 39.25 |
| January, 2020   | 51.00 | 39.35 | 42.50 | 51.00 | 39.25 | 42.45 |
| February, 2020  | 44.25 | 31.15 | 31.40 | 44.30 | 31.10 | 31.35 |
| March, 2020     | 33.50 | 18.30 | 21.30 | 32.45 | 18.25 | 21.30 |

(vii) Share price of HCL in comparison to BSE SENSEX and NSE NIFTY over the base of March, 2019 high price in percentage terms is plotted below:



(viii) Suspension of equity shares of HCL from trading by stock exchanges and reasons thereof - Nil

(ix) 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

(x) Share transfer system

In terms of Regulation 40(1) of SEBI LODR, as amended, securities can be transferred only in dematerialized form w.e.f. 1.4.2019, except in case of request received for transmission or transposition of securities. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Transfers of equity shares in electronic form are effected through the depositories with no involvement of the Company.



(xi) Shareholding Pattern as on 31.3.2020

| Sr. No. | Category                     | No. of shares held  | %             |
|---------|------------------------------|---------------------|---------------|
| 1       | President of India           | 70,35,87,852        | 76.05         |
| 2       | Mutual Funds                 | 21,077              | 0.00          |
| 3       | Financial Institutions/Banks | 1,27,51,952         | 1.38          |
| 4       | Insurance Companies          | 11,35,26,074        | 12.27         |
| 5       | Bodies Corporate             | 86,14,219           | 0.93          |
| 6       | NRIs/FIIs/QFIs               | 56,19,492           | 0.61          |
| 7       | Trusts & Foundations         | 1,39,725            | 0.01          |
| 8       | Indian Public                | 8,09,04,218         | 8.74          |
| 9       | IEPF                         | 53,391              | 0.01          |
|         | <b>Total</b>                 | <b>92,52,18,000</b> | <b>100.00</b> |

(xii) Distribution of shareholding as on 31.3.2020

| Range            |        | Shares              | Folios          | % Shares      |
|------------------|--------|---------------------|-----------------|---------------|
| 1                | 500    | 1,68,85,261         | 1,10,416        | 1.83          |
| 501              | 1000   | 1,13,49,983         | 13,662          | 1.23          |
| 1001             | 2000   | 11,12,86,60         | 7,184           | 1.20          |
| 2001             | 3000   | 68,34,833           | 2,642           | 0.74          |
| 3001             | 4000   | 41,11,723           | 1,132           | 0.44          |
| 4001             | 5000   | 49,71,020           | 1,040           | 0.54          |
| 5001             | 10000  | 1,02,80,694         | 1,366           | 1.11          |
| 10001            | 50000  | 1,64,74,529         | 835             | 1.78          |
| 50001            | 100000 | 53,74,172           | 77              | 0.58          |
| 100001 and above |        | 83,78,07,125        | 44              | 90.55         |
| <b>Total</b>     |        | <b>92,52,18,000</b> | <b>1,38,398</b> | <b>100.00</b> |

(xiii) 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 31.3.2020 was as follows:

| Particulars  | No. of Shares       | % of Holding  | No. of folio    |
|--------------|---------------------|---------------|-----------------|
| DEMAT :      |                     |               |                 |
| a) N S D L   | 88,76,16,714        | 95.94         | 73,721          |
| b) C D S L   | 3,75,64,722         | 4.06          | 64,266          |
| PHYSICAL     | 36,564              | 0.00          | 411             |
| <b>Total</b> | <b>92,52,18,000</b> | <b>100.00</b> | <b>1,38,398</b> |

(xiv) 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 till date.

(xv) Commodity price risk or foreign exchange risk and hedging activities: Price of Company's copper products are linked to London Metal Exchange copper prices. As regard foreign exchange risk, the Company has a natural hedge. Disclosure of commodity risks and other hedging activity in HCL in the prescribed format as per SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/ 2018 / 0000000141 dated 15.11.2018 is given at **Appendix-I**.



(xvi) Plant locations

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

(xvii) Address for correspondence

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

(xvii) List of credit ratings obtained by the Company along with any revisions thereto during the year, for all debt instruments or any fixed deposit programme or any scheme or proposal of the Company involving mobilization of funds, whether in India or abroad.-

| Sr. No. | Instrument for which credit rating obtained | Credit Rating in FY 2019-20*  | Credit Rating in FY 2018-19   |
|---------|---|---|---|
| 1       | Term Loan                                   | [ICRA]AA+ (Negative)  | [ICRA]AA+ (Stable)  |
| 2       | Fund-based Facilities                       | On Long Term Scale<br>[ICRA]AA+ (Negative)<br>On Short Term Scale<br>[ICRA] A1+ | On Long Term Scale<br>[ICRA]AA+ (Stable)<br>On Short Term Scale<br>[ICRA] A1+ |
| 3       | Non-fund-based Facilities                   | [ICRA]A1+   | [ICRA]A1+   |
| 4       | Commercial Paper                            | [ICRA]A1+   | [ICRA]A1+   |

\*Credit rating obtained on 20.4.2020

**9. Disclosures**

- (a) The Company has not entered into any transaction of material significance with the related parties during the year. The Company's Policy on Related Party Transactions is available at its website [www.hindustancopper.com](http://www.hindustancopper.com).
- (b) No penalties/strictures have been imposed on the Company by Stock Exchanges, SEBI or any statutory authority on any matters related to capital markets during last three years. However, due to 3 vacant posts of Independent directors, both BSE and NSE had imposed penalty of ₹16,16,600/- each in FY 2018-19 on the Company for non-compliance of Regulation 17(1) of SEBI (LODR), 2015. In FY 2019-20, the penalty imposed by both the Exchanges was as follows:

| Name of Exchange | Penalty imposed for quarter ended 30.6.2019 | Penalty imposed for quarter ended 30.9.2019 | Total penalty imposed |
|------------------|---|---|-----------------------|
| BSE              | ₹5,36,900/-                                 | ₹1,23,900/-                                 | ₹6,60,800/-           |
| NSE              | ₹5,36,900/-                                 | Nil   | ₹5,36,900/-           |

The Company had taken up the matter with the Ministry of Mines, Government of India for waiver of fine since appointment of Directors in case of HCL, being Government owned Company, is done by the Government of India. The Company also made application to both the Exchanges for waiver from payment of penalty under Uniform Carve Outs for SoP fines. While NSE vide its letter dated 5.2.2020 had waived off entire fine levied by it on HCL up to the quarter ended 30.6.2020 under Regulation 17(1) of SEBI LODR, waiver of fine from BSE is awaited.

- (c) The Company has formulated Whistle Blower Policy and it is affirmed that no personnel has been denied access to the Audit Committee. The Policy is available at the Company's website at [www.hindustancopper.com](http://www.hindustancopper.com).
- (d) Weblink disclosing policy for determining 'material' subsidiaries: Not applicable since the Company has no material subsidiary.





- (e) Non-compliance of any requirement of corporate governance report of sub-paras (2) to (10) in Part C of Schedule -V to the SEBI (LODR), 2015, with reasons thereof: Nil
- (f) Adoption of discretionary requirements as specified in Part E of Schedule II of SEBI (LODR), 2015: Nil
- (g) Pursuant to Regulation 17 (8) of SEBI (LODR) 2015, the CEO and CFO of the Company have given compliance certificate to the Board.
- (h) HCL being a Government Company, has complied with the provisions of Regulations 17 to 27 of SEBI (LODR), 2015 as applicable except that there is no women director on the Board w.e.f. 16.11.2019 and performance evaluation of Directors including Independent Directors is done by the Government. The Company has disseminated on its website all information as listed under clause (b) to (i) of Regulation 46 (2) of SEBI (LODR), 2015.
- (i) Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A): NA
- (j) Certificate from M/s N K & Associates, Practicing Company Secretary, confirming that none of the Directors of the Company have been debarred or disqualified from being appointed or continuing as Directors of companies by SEBI, MCA or any such statutory authority is enclosed as **Appendix-II**.
- (k) Non-acceptance of recommendation of Committees of the Board during the year – Nil
- (l) Details of fees paid to M/s. Chaturvedi & Co, Statutory Auditor of the Company and M/s. K.M. Jain & Co, Statutory Auditor of the Subsidiary during 2019-20 by the Company and its subsidiary (Chhattisgarh Copper Ltd) is given below:

(₹ in Lakh)

| Heads                | Fees paid by Hindustan Copper Ltd | Fees paid by Chhattisgarh Copper Ltd (Subsidiary Company) | Total        |
|----------------------|-----------------------------------|---|--------------|
| Statutory Audit Fees | 16.20                             | 0.15  | 16.35        |
| Limited Review Fees  | 14.95                             | 0.20  | 15.15        |
|                      |                                   | <b>Total</b>  | <b>31.50</b> |

- (m) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:
- a. number of complaints at the beginning of financial year as on 1.4.2019 : Nil
- b. number of complaints filed during the financial year 2019-20 : Nil
- c. number of complaints disposed of during the financial year 2019-20 : Nil
- d. number of complaints pending at the end of the financial year as on 31.3.2020 : Nil

**Appendix I to Corporate Governance Report**

1. Risk management policy of the Company with respect to commodities including through hedging (*Such policy shall take into account total exposure of the entity towards commodities, commodity risks faced by the Company, hedged exposures, etc. as specified below*):

In this regard Company has Policy in place.

2. Exposure of the Company to commodity and commodity risks faced by the Company throughout the year:
- Total exposure of the Company to commodities in INR : Nil in FY 2019-20
  - Exposure of the Company to various commodities : Nil in FY 2019-20

| Commodity Name | Exposure in INR towards the particular commodity | Exposure in Quantity terms towards the particular commodity | % of such exposure hedged through commodity derivatives |          |                      |          |       |
|----------------|--|---|---|----------|----------------------|----------|-------|
|                |  |   | Domestic market   |          | International market |          | Total |
|                |  |   | OTC   | Exchange | OTC                  | Exchange |       |
| NA             | NA   | NA  | NA  | NA       | NA                   | NA       | NA    |

- c. Commodity risks faced by the Company during the year and how they have been managed:

Commodity price risk faced by the Company on account of purchase of copper bearing raw material is managed by sale of corresponding quantity of material by the Company at equivalent price.

**Appendix II to Corporate Governance Report****CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,  
The Members  
Hindustan Copper Ltd  
Kolkata

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Hindustan Copper Ltd** having CIN: L27201WB1967GOI028825 and having registered office at **Tamra Bhavan 1, Ashutosh Chowdhury Avenue, Kolkata-700019** (herein after referred to as "the Company"), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of information and according to the verifications including Directors Identification Number (DIN) status at the portal (www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31<sup>st</sup> March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

| Sr. No. | Name of Director                | DIN      | Date of appointment in Company |
|---------|---------------------------------|----------|--------------------------------|
| 1.      | Shri Arun Kumar Shukla          | 03324672 | 01/10/2018                     |
| 2.      | Shri Sukhen Kumar Bandyopadhyay | 08173882 | 09/07/2018                     |
| 3.      | Shri Alok Chandra               | 06929789 | 22/06/2018                     |
| 4.      | Shri Satendra Singh             | 05195060 | 01/01/2020                     |
| 5.      | Shri Subhash Sharma             | 05333124 | 18/07/2018                     |
| 6.      | Shri Balwinder Singh Canth      | 07239321 | 22/07/2019                     |
| 7.      | Shri Pawan Kumar Dhawan         | 07327568 | 22/07/2019                     |
| 8.      | Shri Rasappan Kalyansundaram    | 08518006 | 22/07/2019                     |

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For N.K. & Associates  
Company Secretaries

Sd/-  
Navin Kothari  
Proprietor  
FCS No. 5935  
CP No. 3725

UDIN No.: F005935B000373698

Place: Kolkata  
Date:24.06.2020



**MR-3**  
**SECRETARIAL AUDIT REPORT**  
for the financial year ended 31<sup>st</sup> March, 2020

*[Pursuant to Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with 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**

We 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 us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our 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 authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March 2020, 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:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2020, 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'), as applicable: -
    - a. Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
    - b. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client;
    - c. The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018
    - d. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
2. Provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act) were not applicable to the Company under the financial year under report:
  - a. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - b. SEBI (Share Based Employee Benefits) Regulations, 2014;
  - c. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - d. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - e. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
3. The Company is engaged in the business activities ranging from the stage of mining to beneficiation, smelting, refining and casting of refined copper metal into downstream saleable products. The Company markets copper cathodes, copper wire bar, continuous cast copper rod and by-products, such as anode slime (containing precious metals), copper sulphate and sulphuric acid.

The following Act(s)/ Guideline(s) are specifically applicable for the aforesaid businesses to the Company:

- (i) Corporate Governance Guidelines issued by the Department of Public Enterprise vide their OM. No. 18(8)/2005-GM dated 14th May, 2010;
- (ii) The Mines Act, 1952



- (iii) Explosive Act, 1884 and Explosive Rules, 2008  
(iv) Mines & Minerals (Development & Regulation) Act, 1957  
(v) The Metalliferous Mines Regulations, 1961
4. We 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 Agreement(s) entered into by the Company with Stock Exchange(s) as required under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
5. As per the information and explanations provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we report that the provisions of the Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of:
- (i) External Commercial Borrowings were not attracted to the Company under the financial year under report;  
(ii) Foreign Direct Investment (FDI) were not attracted to the Company under the financial year under report;  
(iii) Overseas Direct Investment by Residents in Joint Venture / Wholly Owned Subsidiary abroad were not attracted to the Company under the financial year under report.
6. During the financial year under report, the Company has complied with the provisions of the Companies Act, 2013 and the Rules, Regulations, Guidelines, Standards, etc., mentioned above except as follows:  
The extract of the Annual Return has not been annexed to the Board Report although the same has been uploaded on the website of the Company.
7. As per the information and explanations provided by the company, its officers, agents and authorised representatives during the conduct of Secretarial Audit, we report that the Company has not made any GDRs/ADRs or any Commercial Instrument under the financial year under report.
8. We have relied on the information and representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws, and Regulations to the Company.
9. We further report that:
- (a) During the year at various points the Company had a shortfall in the number of Independent Directors as required. No of Independent Directors were less than 50% from 1.4.2019 to 21.7.2019 and 1.12.2019 to 31.12.2019. Also the Board does not have Women Director w.e.f. 16.11.2019.  
(b) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, 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.  
(c) All the decisions of the Board and Committees thereof were carried through with requisite majority.
10. We further report that during the financial year under review, following events / actions having a major bearing on the Company's affairs in pursuance of the above referred Laws, Rules, Regulations, Guidelines, Standards, etc., have occurred:  
The Company has entered into a Joint Venture with Khanij Bidesh Limited having a 30% shareholding in the said Company.  
This Report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

For Bajaj Todi & Associates

Sd/-

(Priti Todi)  
Partner  
C.P.No.: 7270,  
ACS:14611

UDIN No.: A014611B000374322

Place : Kolkata  
Date : 24.6.2020





## ANNEXURE A TO SECRETARIAL AUDIT REPORT

To  
The Members  
Hindustan Copper Limited

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

### MANAGEMENT'S RESPONSIBILITY

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

### AUDITOR'S RESPONSIBILITY

2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.

### DISCLAIMER

5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards are the responsibility of management. Our 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 Bajaj Todi & Associates

Sd/-

(Priti Todi)  
Partner

C.P.No.: 7270,  
ACS:14611

UDIN No.: A014611B000374322

Place : Kolkata  
Date : 24.6.2020



## CERTIFICATE ON CORPORATE GOVERNANCE

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

We have examined the compliance of conditions of corporate governance by Hindustan Copper Limited ('the Company'), for the year ended 31<sup>st</sup> March, 2020, as stipulated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

In our opinion and to the best of our information and according to the explanations given to us, we hereby certify that the Company has complied with the conditions of corporate governance as stipulated in the above mentioned Regulations during the financial year 2019-20 except that number of Independent Directors were less than 50% from 1.4.2019 to 21.7.2019 and 1.12.2019 to 31.12.2019 and also the Board does not have women director with effect from 16.11.2019.

We have been explained no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Company.

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**

N K & Associates  
Company Secretaries

Sd/-  
Navin Kothari  
Proprietor  
FCS No. 5935  
CP No. 3725  
UDIN: F005935B000374798

Place: Kolkata  
Date: 24.6.2020



## TEN YEARS AT A GLANCE

(₹ in lakh)

| YEAR                            | 2019-20 | 2018-19 | 2017-18 | 2016-17 | 2015-16 | 2014-15 | 2013-14 | 2012-13 | 2011-12 | 2010-11 |
|---------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Share Capital                   | 46261   | 46261   | 46261   | 46261   | 46261   | 46261   | 46261   | 46261   | 46261   | 46261   |
| Other Equity                    | 49766   | 117436  | 106468  | 100435  | 94795   | 93281   | 136666  | 118948  | 93503   | 71913   |
| Borrowings                      | 156367  | 107011  | 65695   | 47207   | 20715   | -       | -       | -       | -       | -       |
| Net Block                       | 29424   | 31649   | 33200   | 35425   | 17811   | 17883   | 21179   | 20633   | 20917   | 21317   |
| Current Assets                  | 103925  | 137002  | 115728  | 131121  | 168902  | 169033  | 122871  | 119082  | 105165  | 84189   |
| Current Liabilities             | 144752  | 104535  | 106701  | 74809   | 106551  | 96298   | 35233   | 35377   | 36578   | 31530   |
| Net Turnover                    | 80317   | 175329  | 159926  | 110181  | 96348   | 100484  | 147973  | 132177  | 148429  | 116629  |
| Profit before Taxation          | (53806) | 23000   | 12169   | 9420    | 3961    | 8045    | 43065   | 40361   | 47295   | 33521   |
| Tax Expenses                    | 3129    | 8449    | 4208    | 3226    | 187     | 1285    | 14423   | 4797    | 14949   | 11111   |
| Profit after Taxation           | (56935) | 14551   | 7961    | 6194    | 3774    | 6760    | 28642   | 35564   | 32346   | 22410   |
| Dividend including Dividend Tax | -       | 5800    | 2789    | 2227    | -       | 1670    | 10825   | 10825   | 10753   | 10771   |
| No. of Employees (Nos.)         | 1931    | 2195    | 2508    | 2843    | 3252    | 3676    | 4112    | 4498    | 4810    | 5100    |



**To**  
**The Members of**  
**Hindustan Copper Limited**

Report on the Audit of the Standalone Financial Statements

**Opinion**

We have audited the accompanying Standalone Financial Statements of **Hindustan Copper Limited ("the Company")**, which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and notes to the Standalone Financial Statements including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020 and its loss (including Other Comprehensive loss), changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit of the Standalone Financial Statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Financial Statements.

**Emphasis of Matters**

We draw attention to the following matters:

- a) Note No.39 (1) "Contingent liabilities" of the accompanying Standalone Financial Statements which describes the uncertainty related to the outcome of the lawsuits filed and demands raised against the Company by various parties and Government authorities;
- b) Note No.39 (6) of the accompanying Standalone Financial Statements which states that the title deeds for freehold and leasehold land and building acquired in respect of Gujarat Copper Project (GCP) with book value of ₹5578.11 Lakh (PY:- ₹5859.97 Lakh) are yet to be executed in favor of the Company. Title deeds for other leasehold and freehold lands available with the Company or other evidences of title are pending to be reconciled with the financial records.
- c) Note No.39 (8) of the accompanying Standalone Financial Statements wherein, balances under the head Claims Recoverable, Loans & Advances, Deposits from and with various parties and certain balances of receivables, payables and other current liabilities have not been confirmed as at March 31, 2020. Consequential impact upon receipt of such confirmation /reconciliation / adjustments of such balances, if any is not ascertainable at this stage;
- d) Note No.39 (28) the accompanying Standalone Financial Statements regarding Gujarat Copper project valuing ₹24536.34 Lakh (PY:- ₹27214.50 Lakh) as at March 31, 2020 where the Company has not been able to operate profitably due to various constraint, viability assessment needs to be done to evaluate and adjust for possible impairment loss, if any.
- e) Note No.39 (31) which states that Closing stock as at 31<sup>st</sup> March, 2020 has been reduced aggregately by ₹25710.39 Lakh due to one-time adjustment through write-off in value of closing stock arising as a result of, reconciliation of metal content in copper concentrate on inter-unit transfer and sales, assessment of metal loss in generation of granulated Dump Slag, handling losses and old & oxidized concentrate. Further low grade Lean Ore and Mill Scat not presently in use in manufacturing process, for which provision of ₹18331.80 Lakh has been made in the books of accounts as



## INDEPENDENT AUDITOR'S REPORT (Contd...)

at March 31, 2020 by the management. As mentioned in the referred note, the Company has modified its Standard Operating Procedure on Inventory Management to strengthen the reconciliation of inventory as an ongoing activity and identification and segregation of unused stock for better control; and

- f) Note No.39 (33) which describes the uncertainties and the management assessment of possible impact of COVID-19 pandemic on its business operations, financial assets, contractual obligations and its overall liquidity position as at March 31, 2020. Management will continue to monitor in future any material changes arising on financial and operational performance of the Company due to the impact of this pandemic and necessary measure to address the situation.

Our opinion is not modified in respect of these matters.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements of the current period. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

| Sl. No. | Key Audit Matters  | Auditor's Response  |
|---------|--|---|
| 1.      | <p><b><u>Assessment of Stripping Ratio and charging of overburden expenditure during production stage of surface mines to Mines Development Expenditure and Profit and Loss account</u></b></p> <p>Referred in Note No.2 (11) and Note No.9 of the Standalone Financial Statements.</p> <p>Assessment of Stripping Ratio is technically estimated initially at the beginning of the Mines and later on periodically assessed for which no standards written policy are there. Normally review done within a period of 3 to 4 years as informed to us.</p> <p>In case of open cast mines, the expenditure on removal of waste and overburden, is capitalized and the same is depleted in relation to actual ore production during the year on the stripping ratio which is re-assessed periodically based on the estimated ore reserve as well as the quantity of waste excavation in respect of open cast mines.</p> <p>Assessment of Stripping Ratio is uniquely applied under the Mining industries which involves significant judgment to determine the ratio and that also keep on change from time to time. This ratio has been changed subsequently based on the actual output of overburden and Ore exposed during the production stage of the mines.</p> <p>We have identified this area as key audit matter due to its nature as industry specific and involvement of technical assumptions and judgments in calculation of stripping ratio. Further it has a material impact on the financial statements being this year the Company has amortized ₹23904.06 Lakh (PY:-20074.56 Lakh) as Mine development expenditure in respect of open cast mines.</p> | <p><b><u>Principal Audit Procedures</u></b></p> <p>Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows:</p> <ul style="list-style-type: none"> <li>• We went through the current status of the mining at different mines</li> <li>• We discussed with the management about the stripping procedure adopted in the industry as well practice followed by the Company</li> <li>• Procedure followed by the management towards Identification of expenditures incurred in surface mines during production stage</li> <li>• Understanding the computation of Stripping ratio initially made and documents made available to us.</li> <li>• We have checked the stripping ratio to be charged under amortization for mine development expenditure for balance period of mines</li> <li>• Discussion with the core technical team involve in this process</li> <li>• Reliance is placed on the representations of the management.</li> </ul> |





|    |   |  |
|----|---|--|
| 2. | <p><b><u>Modified Audit Procedures carried out in light of COVID-19 outbreak:</u></b></p> <p>Due to COVID-19 pandemic, Nation-wide lockdown and travel restrictions imposed by Central / State Government / Local Authorities during the period of our audit wherever physical access was not possible, audit could not be conducted by visiting the Plants/Projects/Regional Sales offices. As we could not gather audit evidence in person/ physically/ through discussions and personal interactions with the officials at the Plants/Projects/Regional Sales offices, we have identified such modified audit procedures as a Key Audit Matter. Accordingly, our audit procedures were modified to carry out the audit remotely.</p> | <p><b><u>Principal Audit Procedures</u></b></p> <p>Due to the outbreak of COVID-19 pandemic that caused nationwide lockdown and other travel restrictions imposed by the Central and State Governments/local administration during the period of our audit, we could not travel to the Plants/Projects/Regional Sales offices and carry out the audit processes physically at the respective Plants/Projects/Regional Sales offices. Wherever physical access was not possible, necessary records/ reports/ documents/ certificates were made available to us by the management of the respective Plants / Projects / Regional Sales offices through E-Mail and to the extent generated from the ORACLE system at Head office, Kolkata. To this extent, the audit process was carried out on the basis of such documents, reports and records made available to us on which were relied upon as audit evidence for conducting the audit and reporting for the current period.</p> <p>Accordingly, we modified our audit procedures as follows:</p> <ol style="list-style-type: none"><li>a) Conducted verification of necessary records/ documents/Trial Balances and other relevant application software electronically through remote access/emails in respect of Plants/Projects/Regional Sales offices wherever physical access was not possible.</li><li>b) Carried out verification of scanned copies of the documents, records, certificates, deeds etc. made available to us through emails and remote access over secure network of the Company.</li><li>c) Making enquiries and gathering necessary audit evidence through telephonic communication and e-mails.</li></ol> |
|----|---|--|

**Information Other than the Standalone Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Report of the Board of Directors, Management Discussion and Analysis Report, Report on CSR activities, Business Responsibility Report, Corporate Governance Report and other annexure to Directors Report including Shareholder's Information, but does not include the Standalone Financial Statements and our auditor's report thereon. The Report of the Board of Directors including annexures and other related statements forming part of the Company's annual report is expected to be made available to us after the date of our this auditor report.

Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information when it becomes available only and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact.



## INDEPENDENT AUDITOR'S REPORT (Contd...)

When we read the Report of the Board of Directors including annexures and other related statements form part of the Company's annual report and made available to us after the date of our this auditor report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

### **Responsibility of Management and Those Charged with Governance for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act. This responsibility also includes 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 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 Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors is also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis or our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.



- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Report on Other Legal and Regulatory Requirements

- 1) As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub section (11) of Section 143 of the Act, we give in "**Annexure A**", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 2) As required by Section 143(3) of the Act, we report 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 except as reported in Clause (b) & (c) of the "Emphasis of Matters" paragraph above;
  - 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 including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid Standalone Financial Statements comply with the Ind AS specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - e) In pursuance to the Notification No. G.S.R 463(E) dated 05-06-2015 issued by Ministry of Corporate Affairs, Section 164(2) of the Act regarding disqualification of Directors, is not applicable to the Company, since it is a Government Company;
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**".



## INDEPENDENT AUDITOR'S REPORT (Contd...)

- g) As per Notification No. GSR 463(E) dated 05-06-2015 issued by the Ministry of Corporate Affairs, Government of India, Section 197 of the Act is not applicable to the Government Companies. Accordingly, reporting in accordance with requirement of provisions of Section 197(16) of the Act is not applicable on the Company.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) 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 Standalone Financial Statements—[Refer Note No. 39(1) to the accompanying Standalone Financial Statements];
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- 3) As required under Section 143(5) of the Act, we give in the “**Annexure C**”, a statement on the directions and sub-directions issued by the Comptroller and Auditor General of India in respect of the Company.

For **Chaturvedi & Co.**  
Chartered Accountants  
(Firm's Registration No.302137E)

Place: Kolkata  
Date: July 21, 2020

**CA R.K. Nanda**  
Partner  
(Membership No.510574)

UDIN: 20510574AAAABH1998



**{Referred to in Paragraph (1) of “Report on Other Legal and Regulatory Requirements” section of our Independent Auditor’s Report}**

- i. In respect of the Company’s fixed assets:
- (a) The Company has maintained records showing full particulars, including quantitative details and situation of fixed assets. Further asset identification numbers and codification of some movable tangible assets along with make/model number needs to be assigned to the assets and to be updated in Fixed Asset Register. Location details and areas of freehold land and leasehold land held by the Company at different locations needs to be updated in the Fixed Asset Register and further needs to be reconciled with financial records. Quantitative details in case of few old assets along with their description, particulars of depreciation, amortization or impairment have also not been properly disclosed in the Fixed Asset Register.
- (b) According to the information and explanations given to us, the fixed assets of the Company has been physically verified by the management every year so that all the assets of Units/offices are covered once in a block of three years interval, which in our opinion is reasonable having regard to the size of the Company and the nature of its business. As per the phased programme, during the year the Company had to conduct the physical verification at Malanjkhanda Copper Project (MCP), Gujarat Copper Project (GCP), Indian Copper Complex (ICC) and Rakha Copper Project (RCP). However the verification procedure at ICC and RCP is not completed due to PAN INDIA lockdown for COVID 19 pandemic. The physical verification procedure is completed at MCP and GCP. According to the information and explanations given to us, no material discrepancies were noticed on such verification for adjustment/settlement in the books of account. The process of physical verification at Units/offices should be further improved by having the detailed list of assets with their identification numbers along with Group asset code, quantity and value as per Fixed Assets Register duly mapped with assets physically verified and also having a well-defined manual of physical verification especially looking into the various locations, quantum of assets physically available at each of the plant/office locations.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, lands (both freehold and leasehold) and Building acquired in respect of Gujarat Copper Project having book value of ₹5578.11 Lakh as at March 31, 2020 are yet to be executed in favor of the Company. The title deeds, conveyance deeds etc. in respect of certain freehold lands at Indian Copper Complex acquired through nationalization in accordance with Indian Copper Corporation (Acquisition of Undertaking) Act, 1972 which as per the management, are not in possession of the Company. Further to as stated above, the management has not been able to produce title deeds/lease deeds/other evidence of title for rest of the lands & buildings situated at different Plants/ Projects/offices, for which the Company has to identify each of such lands with respect to their measuring areas as per the available records and reconcile the same with the value of the leasehold and freehold lands & buildings shown under Note No.3A & 3B (for freehold lands) and Note No.9 &17 (for leasehold lands) of the accompanying Standalone Financial statements.
- ii. The physical verification of Semi-Finished and In-Process (WIP) stocks and Finished Goods as per the policy is conducted departmentally in all the units (Indian Copper Complex, Khetrinagar Copper Complex, Malanjkhanda Copper Project, Taloja Copper Project & Gujarat Copper Project) at the end of the every financial year by a duly approved committee and again once in a block of three years along with an Independent external agency appointed in this regard by duly approved committee.

For this year although work orders were issued to independent agencies in all the units for carrying out physical stock verification, due to PAN INDIA lockdown for COVID 19 pandemic the same could not be completed at Khetrinagar Copper Complex & Indian Copper Complex since the work orders were issued to out-station parties through tendering process. The physical verification procedure has been completed at Taloja Copper Project, Malanjkhanda Copper Project and Gujarat Copper Project by the Independent agencies while at ICC and KCC, stock was verified and certified by the Unit’s management. The Unit’s management has identified the differences in respect of copper content on stock of Inter-unit transfer and differential quantity of metal loss in Granulated Dump Slag and reconciled those differences which were further audited by appointing an Independent auditor by the Company. By virtue of these exercise, closing stock as at March 31, 2020 has been reduced aggregately by ₹25710.39 Lakh due to one-time adjustment through write-off in value of closing stock at KCC and ICC arising as a result of, reconciliation of metal content in copper concentrate on inter-unit transfer and sales, assessment of metal loss in generation of Granulated Dump Slag, handling losses and



## “Annexure A” To the Independent Auditor’s Report (Contd...)

old & oxidized concentrate considered as dead stock. Further low grade Lean ore and Mill Scat presently not in use in manufacturing process, for which provision of ₹18331.81 Lakh have been made in the books of accounts as at March 31, 2020 by the management. The Company has modified its Standard Operating Procedure on Inventory Management to strengthen the reconciliation of inventory process as an ongoing activity and identification and segregation of unused stock for better control. This has been further described in Note No.39 (31) of the accompanying Standalone Financial Statements.

In respect of stores and spares, physical verification has been conducted by the external agencies, located in and around the project site, in all the units during the year. Shortages/ (Excesses) identified on such physical verification which were not material as per the management, have been properly dealt with in the books of account.

- iii. The Company has not granted any loans, secured or unsecured to any companies, firms, limited liability partnership or other parties, covered in the register maintained under section 189 of the Companies Act, 2013.
- iv. According to the information and explanations given to us, the Company has not given any loan, given any guarantee or provided any security in connection with such loan given/Investment made to which provisions of Section 185 of the Act apply. The provisions of Section 186 of the Act, in our opinion, are not applicable to the Company.
- v. In our opinion and according to information and explanations given to us, the Company has not accepted any deposits as per the provisions of the Act.
- vi. According to the information and explanations given to us, the maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013 in respect of mining activities of the Company. We have broadly reviewed such cost records and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained.
- vii. (a) According to the information and explanations given to us and on the basis of our examination of books of accounts, the Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees’ State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of aforesaid dues which were outstanding as at 31<sup>st</sup> March, 2020 for a period of more than six months for the date of becoming payable.

- (b) According to the information and explanations given to us and as per the records of the Company, following dues of Income Tax, Sales Tax, Entry Tax, Excise Duty, Cess, local body tax and Value Added Tax were in arrears as at March 31, 2020 and have not been deposited on account of dispute:

| Name of the Statute                | Nature of Dues       | Period to which the amount relates | Forum where dispute is pending   | Gross Dispute Amount (₹ in Lakh) |
|------------------------------------|----------------------|------------------------------------|----------------------------------|----------------------------------|
| Central Excise Act                 | Central Excise       | 2014-15 to 2016-17 (ICC)           | High court of Jharkhand          | 560.60                           |
| Madhya Pradesh Value added Tax Act | Entry tax            | 1994-95 (MCP)                      | Commissioner (Appeals) Jabbalpur | *5.38                            |
| Madhya Pradesh Value added Tax Act | State Sales Tax/ VAT | 2009-2010 (MCP)                    | Sales tax authority (Bhopal)     | *34.47                           |
| Madhya Pradesh Value added Tax Act | State Sales Tax/ VAT | 2011-12 (MCP)                      | Sales tax authority (Bhopal)     | *16.66                           |
| Madhya Pradesh Value added Tax Act | State Sales Tax/ Vat | 2012-13 (MCP)                      | Sales tax authority (Bhopal)     | *99.89                           |





| Name of the Statute  | Nature of Dues       | Period to which the amount relates                 | Forum where dispute is pending                      | Gross Dispute Amount (₹ in Lakh) |
|--|----------------------|--|---|----------------------------------|
| Central Excise Act   | Central Excise       | 2010-11 to 2013-14 (MCP)                           | CESTAT  | *627.60                          |
| Rajasthan value added tax act                              | Central Excise       | 2007-08 to 2014-15 (KCC)                           | Hon'ble supreme Court                               | *676.40                          |
| Central Excise Act   | Central Excise       | 2005-06, 2013-14, 2014-15, 2017-18 & 2018-19 (KCC) | Commissioner central excise, Bikaner                | 1392.82                          |
| Central Excise Act   | Central Excise       | 2018-19 (KCC)                                      | CESTAT  | *361.69                          |
| Income tax Act   | Income tax           | 2016-17 & 2017-18 (KCC)                            | Commissioner of Income Tax, Jaipur                  | *1.15                            |
| Madhya Pradesh Value added Tax Act                         | State Sales Tax/ Vat | 1994-95,2011-12, 2012-13 & 2013-14 (TCP)           | Joint commissioner (sales tax) Maharashtra          | *777.60                          |
| Central Excise Act   | Central Excise       | 2010-11(TCP)                                       | CESTAT  | 5.26                             |
| Panvel Municipal Corporation Act                           | Local body tax       | 01.01.2017 to 30.06.2017(TCP)                      | Panvel municipal corporation                        | 1906.36                          |
| Income tax Act   | Income tax           | 2001-02 to 2003-04, 2005-06 to 2007-08(HO)         | High Court of Kolkata                               | 11508.52                         |
| Income tax Act   | Income tax           | 2007-08, 2011-12, 2012-13, 2016-17 & 2017-18(HO)   | ITAT/CIT(Appeals)                                   | *11603.76                        |
| Water (prevention and control of pollution) Cess act, 1977 | Water Cess           | 1999-20 to 2019-20 (HO)                            | Water resources department, government of Jharkhand | 1799.38                          |

\*Aggregate amount of ₹752.59 Lakh have been deposited against the cases and shown as “Deposit with Government authorities” under Note No.-17 “Other Current Assets”.

- viii. According to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks. The Company has not issued any debentures and also not borrowed any loans from financial institutions or government.
- ix. According to the information and explanations given to us, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year. Based on the information available, the term loans taken by the Company have been applied for the purpose for which they were raised.
- x. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi. As per notification no. GSR 463(E) dated 5.06.2015 issued by the Ministry of Corporate Affairs, Government of India, section 197 for managerial remuneration is not applicable to the Government Company and as such, provision of paragraph 3(xi) of the said order are not applicable to the Company.
- xii. In our opinion, the Company is not a Nidhi Company and as such, provisions of paragraph 3(xii) of the said order are not applicable to the Company.



“Annexure A” To the Independent Auditor’s Report (Contd...)

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- xiii. According to the information and explanations given to us and based on our examination of books of accounts, transactions with the related parties are in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable and the details of such transactions have been disclosed in the Standalone Financial Statements as required by the applicable Indian Accounting Standards.
- xiv. According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures during the year.
- xv. According to the information and explanations given to us and based on our examination of books of accounts, the Company has not entered into any non-cash transactions specified under Section 192 of the Act with its Directors or persons connected to them.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and as such, reporting under this clause is not applicable to the Company.

For **Chaturvedi & Co.**  
Chartered Accountants  
(Firm’s Registration No.302137E)

Place: Kolkata  
Date: July 21, 2020

**CA R.K. Nanda**  
Partner  
(Membership No.510574)

UDIN: 20510574AAAABH1998



**{Referred to in Paragraph (2)(f) of “Report on Other Legal and Regulatory Requirements” section of our Independent Auditor’s Report}**

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of **Hindustan Copper Limited** (hereinafter referred as “**the Company**”) as of March 31, 2020 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

**Management’s Responsibility for Internal Financial Controls**

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

**Auditor’s Responsibility**

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

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

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

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

A Company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company’s assets that could have a material effect on the financial statements.

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

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be



## “Annexure B” To the Independent Auditor’s Report (Contd...)

detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, internal financial controls system over financial reporting and such internal financial controls over financial reporting were generally operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by The Institute of Chartered Accountants of India. However in certain areas where design documentation need further improvement like Manual on Fixed Assets verification, Implementation of Centralized data base for Title deeds/lease deeds/ other evidences of titles in respect of both freehold and leasehold lands and Buildings, Fund Management including Cash and Bank and controls over issuance of Bank Guarantees shown as contingent liabilities, Comprehensive delegation of power, adequate departmental work allocation process, job rotation policy etc., Inventory Management, Receivable Management, Expenditure on CSR, Payable Management incorporating the process flow by which the transactions are initiated, authorized, processed, recorded and reported at department level at Plants/Projects as well as for financial reporting process. Modification of finance/accounts manual needs to be done incorporating the Indian Accounting Standards requirements to have effective internal controls over financial reporting. System integration to capture the transactions that relates to financial statements and events/ conditions and other transactions significant to the financial statement has to be designed properly so as to fulfill the objectives of control criteria established by the Company.

Internal controls over financial reporting process as well as testing of such control activities has to be further improved considering the discrepancies noticed in physical verification of fixed assets like non availability of prescribed format of reporting, reconciliation of mismatches out of such physical verification, timely adjustment of discrepancies noticed, team structure etc. and maintenance of Fixed Asset Register to be further improved. Identification of old account balances and action taken to settle/adjust the account balances after due assessments and reconciliation of account balances has to be carried out periodically. Utilization certificate related to funds disbursed under CSR programme have not been received in proper format explaining the date wise disbursements by company, various mode of spending the amount within a project, details of agency involved with their name, amount paid etc for better control. Further various control activities in Inventory management have to be established looking into the size of the Company and nature of its business especially like non-availability of defined formats of reporting upon completion of physical verification, fixing any tolerance limit for stock adjustment, Quantification of process stock and assessment of its quality, delay identification of unused stock lying on floor and its segregation process, Improper monitoring and recording of standard and actual average metal loss during manufacturing process, handling losses during the dispatch of copper concentrate from discharge point to bedding building for storage and reconciliation of metal content in copper concentrate on inter-unit transfer and sales. The Company has modified its Standard Operating Procedure on Inventory Management to strengthen the reconciliation of differences arise in physical verification process as an ongoing activity and identification and segregation of unused stock for better control. However, our opinion is not qualified in the above respect.

For **Chaturvedi & Co.**  
Chartered Accountants  
(Firm’s Registration No.302137E)

Place: Kolkata  
Date: July 21, 2020

**CA R.K. Nanda**  
Partner  
(Membership No.510574)

UDIN: 20510574AAAABH1998



{Referred to in Paragraph (3) of “Report on Other Legal and Regulatory Requirements” section of our Independent Auditors’ Report}

| Sl. No. | Details/Directions  | Auditors’ Reply   | Action Taken and Impact on Accounts and Financial statements  |
|---------|---|---|---|
| 1.      | Whether the Company has system in place to process all the accounting transactions through IT System? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with financial implications, if any, may be stated | Yes, the Company has system in place to process all the accounting transactions through IT System.  | There is no impact on the accounts and financial statements.  |
| 2.      | Whether there is any restructuring of any existing loan or cases of wavier/write off of debts/loans/ interest etc. made by a lender to the Company due to the Company’s inability to repay the loan? If yes, the financial impact may be stated.                                    | Based on the information available to us, there is no restructuring of any existing loan or cases of wavier/write off of debts/ loans/interest etc. made by a lender to the Company during FY 2019-20. However, the Company has written back aggregate amount of ₹2280.83 Lakh towards trade liabilities pending since long and excess provisions made in accounts during the normal course of business, as stated under Note No. 39 (11) of the Standalone Financial Statements. | Impact on the accounts and financial statements to the tune of ₹1453.37 Lakh has already been considered.<br>Amount of ₹827.46 Lakh towards provision against feasibility study of Concentrator Plant at MCP, has been written back and equivalent amount of Capital work in progress has also charged to revenue resulting Nil impact in the accounts. |
| 3.      | Whether funds received/receivable for specific schemes from Central/ State agencies were properly accounted for /utilized as per its term and conditions? List the cases of deviation.  | No funds received/receivable for specific schemes from Central/State agencies during FY 2019-20.  | There is no impact on the accounts and financial statements.  |

For **Chaturvedi & Co.**  
Chartered Accountants  
(Firm’s Registration No.302137E)

Place: Kolkata  
Date: July 21, 2020

**CA R.K. Nanda**  
Partner  
(Membership No.510574)

UDIN: 20510574AAAABH1998



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## **COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF HINDUSTAN COPPER LIMITED FOR THE YEAR ENDED 31 MARCH 2020**

The preparation of financial statements of Hindustan Copper Limited for the year ended 31 March 2020 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act is responsible for expressing opinion on these financial statements under Section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 21 July 2020.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of Hindustan Copper Limited for the year ended 31 March 2020 under Section 143(6)(a) of the Act. 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 supplementary 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 Act.

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

(Suparna Deb)  
Director General Audit (Mines)  
Kolkata

Place : Kolkata  
Date : 03 September 2020



Standalone Balance Sheet as at 31<sup>st</sup> March 2020

(₹ in lakh)

| PARTICULARS   | Note No. | As at                        |                              |
|---|----------|------------------------------|------------------------------|
|   |          | 31 <sup>st</sup> March, 2020 | 31 <sup>st</sup> March, 2019 |
| <b>ASSETS</b>   |          |                              |                              |
| <b>(1) NON-CURRENT ASSETS</b>   |          |                              |                              |
| (a) Property, Plant and Equipment   | 3A & 3B  | 29423.55                     | 31648.77                     |
| (b) Capital Work In Progress  | 4        | 123177.57                    | 102211.31                    |
| (c) Financial Assets  |          |                              |                              |
| (i) Investments   | 5        | 3.15                         | 18.50                        |
| (ii) Others   | 6        | 26.36                        | 12.47                        |
| (d) Deferred Tax Assets (Net)   | 7        | 5290.81                      | 6831.36                      |
| (e) Non-Current Tax Assets (Net)  | 8        | 689.82                       | 620.33                       |
| (f) Other Non-Current Assets  | 9        | 49269.28                     | 53268.78                     |
| <b>(2) CURRENT ASSETS</b>   |          |                              |                              |
| (a) Inventories   | 10       | 51982.72                     | 64366.77                     |
| (b) Financial Assets  |          |                              |                              |
| (i) Investments   | 11       | 9.48                         | 8.85                         |
| (ii) Trade receivables  | 12       | 8289.35                      | 36154.83                     |
| (iii) Cash and cash equivalents   | 13       | 1134.71                      | 658.42                       |
| (iv) Bank Balances other than above   | 14       | 452.52                       | 424.19                       |
| (v) Others  | 15       | 2686.41                      | 3279.93                      |
| (c) Current Tax Assets (Net)  | 16       | 1845.39                      | -                            |
| (d) Other current assets  | 17       | 37524.43                     | 32108.63                     |
| <b>Total Assets</b>   |          | <b>311805.55</b>             | <b>331613.14</b>             |
| <b>EQUITY AND LIABILITIES</b>   |          |                              |                              |
| <b>(1) Equity</b>   |          |                              |                              |
| (a) Equity Share Capital  | 18       | 46260.90                     | 46260.90                     |
| (b) Other Equity  | 19       | 49765.59                     | 117436.33                    |
| <b>Liabilities</b>  |          |                              |                              |
| <b>(1) NON-CURRENT LIABILITIES</b>  |          |                              |                              |
| (a) Financial Liabilities   |          |                              |                              |
| (i) Borrowings  | 20       | 63617.53                     | 57065.73                     |
| (ii) Other financial liabilities  | 21       | 843.53                       | 843.53                       |
| (b) Provisions  | 22       | 6565.93                      | 5471.59                      |
| <b>(2) CURRENT LIABILITIES</b>  |          |                              |                              |
| (a) Financial Liabilities   |          |                              |                              |
| (i) Borrowings  | 23       | 92749.96                     | 49945.20                     |
| (ii) Trade Payables   | 24       | 23374.42                     | 20229.08                     |
| (iii) Other financial liabilities   | 25       | 8582.21                      | 7600.37                      |
| (b) Other current liabilities   | 26       | 16982.85                     | 18880.70                     |
| (c) Provisions  | 27       | 3062.63                      | 6295.75                      |
| (d) Current Tax Liabilities (Net)   | 28       | -                            | 1583.96                      |
| <b>Total Equity &amp; Liabilities</b>   |          | <b>311805.55</b>             | <b>331613.14</b>             |
| <b>Corporate Information</b>  | 1        |                              |                              |
| <b>Significant Accounting Policies</b>  | 2        |                              |                              |
| <b>General Notes on Accounts</b>  | 39       |                              |                              |
| <b>The notes referred to above form an integral part of the Financial Statements.</b> |          |                              |                              |

In terms of our report of even date attached.

For and on behalf of the Board of Directors

For Chaturvedi & Co.  
Chartered Accountants  
FRN 302137E

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

Sukhen Kumar Bandyopadhyay  
Director (Finance) & CFO  
(DIN : 08173882)

Arun Kumar Shukla  
Chairman and Managing Director & CEO  
(DIN : 03324672)

CA R K NANDA  
Partner  
(M No. 510574)  
Place : Kolkata  
Dated : 21st July, 2020



# Standalone Statement of Profit and Loss for the year Ended 31<sup>st</sup> March 2020

(₹ in lakh except EPS)

| Particulars  | Note No. | For the year ended 31 <sup>st</sup> March, 2020 | For the year ended 31 <sup>st</sup> March, 2019 |
|--|----------|---|---|
| <b>INCOME</b>  |          |   |   |
| I Revenue from Operations  | 29       | 83185.25  | 181625.72                                       |
| II Other Income  | 30       | 5696.22   | 3665.87   |
| <b>III Total Income (I+II)</b>   |          | <b>88881.47</b>                                 | <b>185291.59</b>                                |
| <b>IV EXPENSES</b>   |          |   |   |
| Cost of Materials Consumed   | 31       | 628.24  | 6493.41   |
| Changes in Inventories of Finished Goods, Semi-Finished and Work-In-Process                | 32       | (5113.58)                                       | 14336.74  |
| Employees Benefit Expense  | 33       | 25962.31  | 31651.48  |
| Finance Cost   | 34       | 6041.89   | 5546.10   |
| Depreciation and Amortisation Expense  | 35       | 28861.08  | 25288.75  |
| General, Administration & Other Expenses   | 36       | 86272.96  | 78940.47  |
| <b>Total Expenses (IV)</b>   |          | <b>142652.90</b>                                | <b>162256.95</b>                                |
| V <b>PROFIT/(LOSS) BEFORE EXCEPTIONAL ITEMS AND TAX (III-IV)</b>                           |          | <b>(53771.43)</b>                               | <b>23034.64</b>                                 |
| VI Exceptional items   |          | -   | -   |
| VII <b>PROFIT/(LOSS) BEFORE TAX (V-VI)</b>   |          | <b>(53771.43)</b>                               | <b>23034.64</b>                                 |
| VIII <b>TAX EXPENSE</b>  | 37       |   |   |
| 1) Current Tax   |          | 842.18  | 9128.93   |
| 2) Deferred Tax  |          | 2295.83   | (667.91)  |
| IX <b>PROFIT/(LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS AFTER TAX (VII-VIII)</b>     |          | <b>(56909.44)</b>                               | <b>14573.62</b>                                 |
| X Profit/(Loss) from discontinued operations   |          | (34.70)   | (34.70)   |
| XI Tax expense of discontinued operations  |          | (8.73)  | (12.13)   |
| XII <b>PROFIT/(LOSS) FROM DISCONTINUED OPERATIONS AFTER TAX (X-XI)</b>                     |          | <b>(25.97)</b>                                  | <b>(22.57)</b>                                  |
| XIII <b>PROFIT/(LOSS) FOR THE PERIOD AFTER TAX (IX+XII)</b>                                |          | <b>(56935.41)</b>                               | <b>14551.05</b>                                 |
| XIV <b>OTHER COMPREHENSIVE INCOME/(LOSS)</b>   | 38       |   |   |
| A(i) <b>Items that will not be reclassified to Profit / (Loss)</b>                         |          | <b>(3000.95)</b>                                | <b>(1676.21)</b>                                |
| A(ii) <b>Income Tax relating to items that will not be reclassified to Profit / (Loss)</b> |          | <b>755.28</b>                                   | <b>585.74</b>                                   |
| B(i) <b>Items that will be reclassified to Profit / (Loss)</b>                             |          | -   | -   |
| B(ii) <b>Income Tax relating to items that will be reclassified to Profit / (Loss)</b>     |          | -   | -   |
| XV <b>TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD (XIII+XIV)</b>                      |          | <b>(59181.08)</b>                               | <b>13460.58</b>                                 |
| (Comprising Profit/(Loss) and Other Comprehensive Income for the period)                   |          |   |   |
| XVI Earning per equity share (for continuing operations)                                   |          |   |   |
| 1 BASIC (₹)  |          | <b>(6.151)</b>                                  | <b>1.575</b>                                    |
| 2 DILUTED (₹)  |          | <b>(6.151)</b>                                  | <b>1.575</b>                                    |
| XVII Earning per equity share (for discontinued operations)                                |          |   |   |
| 1 BASIC (₹)  |          | <b>(0.003)</b>                                  | <b>(0.002)</b>                                  |
| 2 DILUTED (₹)  |          | <b>(0.003)</b>                                  | <b>(0.002)</b>                                  |
| XVIII Earning per equity share (for discontinued & continuing operations)                  |          |   |   |
| 1 BASIC (₹)  |          | <b>(6.154)</b>                                  | <b>1.573</b>                                    |
| 2 DILUTED (₹)  |          | <b>(6.154)</b>                                  | <b>1.573</b>                                    |
| Corporate Information  | 1        |   |   |
| Significant Accounting Policies  | 2        |   |   |
| General Notes on Accounts  | 39       |   |   |
| <b>The notes referred to above form an integral part of the Financial Statements.</b>      |          |   |   |

In terms of our report of even date attached.

For and on behalf of the Board of Directors

For Chaturvedi & Co.  
Chartered Accountants  
FRN 302137E

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

Sukhen Kumar Bandyopadhyay  
Director (Finance) & CFO  
(DIN : 08173882)

Arun Kumar Shukla  
Chairman and Managing Director & CEO  
(DIN : 03324672)

CA R K NANDA  
Partner  
(M No. 510574)  
Place : Kolkata  
Dated : 21st July, 2020



# Standalone Statement of Changes in Equity for the Year Ended 31<sup>st</sup> March 2020

## Statement of Changes in Equity

### A. Equity Share Capital

|   | Changes in equity share capital during the year | Balance at the end of the reporting period 31.03.2019 |
|---|---|---|
| Balance at the beginning of the reporting period 01.04.2018 | 46260.90  | 46260.90  |
|   | -   | -   |
|   |   | 46260.90  |

(₹ in lakh)

### B. Other Equity

| Particulars   | General Reserve | Capital Reserve | Corporate Social Responsibility Reserve | Mine Closure Reserves | Currency Fluctuation Reserve | Retained Earnings | Total     |
|---|-----------------|-----------------|---|-----------------------|------------------------------|-------------------|-----------|
| Balance at the beginning of the reporting period 01.04.2018 | 8965.97         | 21166.24        | 22.78                                   | -                     | -                            | 76313.10          | 106468.09 |
| Dividends & Dividend Tax                                    | -               | -               | -                                       | -                     | -                            | (2788.50)         | (2788.50) |
| Profit for the Year   | -               | -               | -                                       | -                     | -                            | 14551.05          | 14551.05  |
| Other Comprehensive Income (net of tax)                     |                 |                 |   | 163.00                | 155.94                       | (1090.47)         | (1090.47) |
| Amount addition during the year                             |                 |                 | (22.78)                                 | -                     | -                            | -                 | 318.94    |
| Amount used during the year                                 | -               | -               | 0.00                                    | -                     | 155.94                       | -                 | (22.78)   |
| Balance at the end of the reporting period 31.03.2019       | 8965.97         | 21166.24        | 0.00                                    | 163.00                | 155.94                       | 86985.18          | 117436.33 |

### Statement of Changes in Equity

### A. Equity Share Capital

|   | Changes in equity share capital during the year | Balance at the end of the reporting period 31.03.2020 |
|---|---|---|
| Balance at the beginning of the reporting period 01.04.2019 | 46260.90  | 46260.90  |
|   | -   | -   |
|   |   | 46260.90  |

(₹ in lakh)

### B. Other Equity

| Particulars   | General Reserve | Capital Reserve | Corporate Social Responsibility Reserve | Mine Closure Reserves | Currency Fluctuation Reserve | Retained Earnings | Total      |
|---|-----------------|-----------------|---|-----------------------|------------------------------|-------------------|------------|
| Balance at the beginning of the reporting period 01.04.2019 | 8965.97         | 21166.24        | -                                       | 163.00                | 155.94                       | 86985.18          | 117436.33  |
| Dividends & Dividend Tax                                    | -               | -               | -                                       | -                     | -                            | (5800.08)         | (5800.08)  |
| Profit for the Year   | -               | -               | -                                       | -                     | -                            | (56935.41)        | (56935.41) |
| Other Comprehensive Income (net of tax)                     |                 |                 |   | 75.00                 | (2764.59)                    | (2245.67)         | (2245.67)  |
| Amount addition during the year                             |                 |                 | -                                       | -                     | (2764.59)                    | -                 | (2689.59)  |
| Amount used during the year                                 | -               | -               | -                                       | -                     | -                            | -                 | -          |
| Balance at the end of the reporting period 31.03.2020       | 8965.97         | 21166.24        | -                                       | 238.00                | (2608.65)                    | 22004.03          | 49765.59   |

(₹ in lakh)

In terms of our report of even date attached.

**For Chaturvedi & Co.**  
Chartered Accountants  
FRN 302137E

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

For and on behalf of the Board of Directors

**Sukhen Kumar Bandyopadhyay**  
Director (Finance) & CFO  
(DIN : 08173882)

**Arun Kumar Shukla**  
Chairman and Managing Director & CEO  
(DIN : 03324672)

**CA R K NANDA**  
Partner  
(M No. 510574)

Place : Kolkata  
Dated : 21st July, 2020



## Standalone Cash Flow Statement for the Year Ended 31<sup>st</sup> March 2020

(₹ in lakh)

|  | For the year ended<br>31 <sup>st</sup> March 2020 | For the year ended<br>31 <sup>st</sup> March 2019 |
|--|---|---|
| <b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>                          |   |   |
| <b>NET PROFIT/ (LOSS) BEFORE TAX AS PER STATEMENT OF PROFIT AND LOSS</b> | <b>(53771.43)</b>                                 | <b>23034.64</b>                                   |
| Adjusted for :   |   |   |
| Depreciation   | 3589.34   | 3661.65   |
| Provisions charged   | 18884.59  | 1899.68   |
| Provisions written back  | (2280.83)   | (1095.29)   |
| Interest expense   | 6041.89   | 5546.10   |
| Amortisation   | 25271.73  | 21627.10  |
| Interest income  | (1021.90)   | (334.49)  |
| Loss / (Profit) on disposal of fixed assets                              | 2.04  | (48.24)   |
| <b>OPERATING PROFIT/ (LOSS) BEFORE WORKING CAPITAL CHANGES</b>           | <b>(3284.57)</b>                                  | <b>54291.15</b>                                   |
| Adjusted for :   |   |   |
| Decrease/ (Increase) in Trade & other Receivables                        | 27921.74  | (28004.35)  |
| Decrease/ (Increase) in Inventories                                      | (5682.60)   | 14412.96  |
| Decrease/ (Increase) in Current & Non-Current assets                     | (3808.73)   | (7008.79)   |
| Increase/ (Decrease) in Current & Non-Current Liabilities                | (2119.57)   | (2836.41)   |
| <b>CASH GENERATED FROM OPERATIONS</b>                                    | <b>13026.27</b>                                   | <b>30854.56</b>                                   |
| Tax Refund received  | -   | 1106.54   |
| Taxes paid   | (4423.72)   | (6730.75)   |
| <b>NET CASH FROM OPERATING ACTIVITIES (A)</b>                            | <b>8602.55</b>                                    | <b>25230.35</b>                                   |
| <b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>                          |   |   |
| Purchase of Fixed Assets   | (22094.87)  | (40039.64)  |
| Sale of Fixed Assets   | 12.03   | 80.07   |
| Interest received  | 1015.68   | 415.71  |
| Advance for / (Recovery of advance) for Capital expenditure              | -   | 260.68  |
| Investment in Joint Venture / Subsidiary                                 | (3.00)  | (18.50)   |
| Mine Development Expenditure   | (21913.69)  | (19369.43)  |
| <b>NET CASH USED IN INVESTING ACTIVITIES (B)</b>                         | <b>(42983.85)</b>                                 | <b>(58671.11)</b>                                 |
| <b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>                            |   |   |
| Non-Current borrowings / (Loan repaid)                                   | 15895.21  | 52669.68  |
| Dividends paid   | (4811.14)   | (2313.05)   |
| Tax on Dividend  | (988.94)  | (475.45)  |
| Interest paid  | (5895.91)   | (5422.90)   |
| <b>NET CASH USED IN FINANCING ACTIVITIES (C)</b>                         | <b>4199.22</b>                                    | <b>44458.28</b>                                   |
| <b>NET INCREASE IN CASH AND CASH EQUIVALENTS (A + B + C)</b>             | <b>(30182.08)</b>                                 | <b>11017.52</b>                                   |
| <b>CASH AND CASH EQUIVALENTS - opening balance</b>                       | <b>(38118.57)</b>                                 | <b>(49136.09)</b>                                 |
| <b>CASH AND CASH EQUIVALENTS - closing balance</b>                       | <b>(68300.65)</b>                                 | <b>(38118.57)</b>                                 |

(details in Annexure - A)

In terms of our report of even date attached.

For and on behalf of the Board of Directors

**For Chaturvedi & Co.**  
Chartered Accountants  
FRN 302137E

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

**Sukhen Kumar Bandyopadhyay**  
Director (Finance) & CFO  
(DIN : 08173882)

**Arun Kumar Shukla**  
Chairman and Managing Director & CEO  
(DIN : 03324672)

**CA R K NANDA**  
Partner  
(M No. 510574)

Place : Kolkata  
Dated : 21st July, 2020



## Standalone Cash Flow Statement for the Year Ended 31<sup>st</sup> March 2020 (Contd...)

(₹ in lakh)

### ANNEXURE - A

| <b>1. CASH AND CASH EQUIVALENTS - opening balance</b>  | <b>01/04/2019</b> | <b>01/04/2018</b> |
|--|-------------------|-------------------|
| i) Current Financial Assets - Cash & Cash Equivalents (Note 13)  | 658.42            | 879.67            |
| ii) Current Financial Assets - Bank Balance other than above (Note 14)<br>(Excluding Unpaid Dividend of ₹15.86 Lakh) | 408.33            | 379.16            |
| iii) Current Financial Assets - Investments (Note 11)  | 8.85              | 8.18              |
| iv) Non-current Financial Assets - Others (Note 6)   | 12.47             | 1.44              |
| v) Current Financial Liabilities - Borrowings (Note 23)  | (39206.64)        | (50404.54)        |
|  | <b>(38118.57)</b> | <b>(49136.09)</b> |
| <b>CASH AND CASH EQUIVALENTS - closing balance</b>   | <b>31/03/2020</b> | <b>31/03/2019</b> |
| i) Current Financial Assets - Cash & Cash Equivalents (Note 13)  | 1134.71           | 658.42            |
| ii) Current Financial Assets - Bank Balance other than above (Note 14)<br>(Excluding Unpaid Dividend of ₹20.31 Lakh) | 432.21            | 408.33            |
| iii) Current Financial Assets - Investments (Note 11)  | 9.48              | 8.85              |
| iv) Non-current Financial Assets - Others (Note 6)   | 26.36             | 12.47             |
| v) Current Financial Liabilities - Borrowings (Note 23)  | (69903.41)        | (39206.64)        |
|  | <b>(68300.65)</b> | <b>(38118.57)</b> |

2. The Cash Flow Statement has been prepared as set out in Indian Accounting Standard (IND AS) 7 : STATEMENT OF CASH FLOWS, as amended by Companies (Indian Accounting Standards) (Amendment) Rules 2016.

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



### 1. **Corporate Information**

Hindustan Copper Limited, established in 1967 and domiciled in India is a Central public sector undertaking under the administrative control of Ministry of Mines, Government of India. The registered office of the company is situated at Kolkata. The principal activities of the company are exploration, exploitation, mining of copper and copper ore including beneficiation of minerals, smelting and refining. The Company has copper mines & concentrator plants in Malankhand Copper Project at Madhya Pradesh (MCP), Khetri Copper Complex at Rajasthan (KCC) and Indian Copper Complex, Ghatsila at Jharkhand (ICC). The company is operating Smelter & Refinery in ICC and Gujarat Copper Project, Gujarat (GCP) for production of copper cathode. Further, cathode is converted into copper wire rod at Copper wire rod plant at Talaja Copper Project, Talaja, Maharashtra (TCP). The Company is listed with BSE Ltd. and National Stock Exchange of India Ltd.

### 2. **Significant Accounting Policies**

#### 2.1 **Basis of Accounting**

The financial statements are prepared under historical cost convention from the books of accounts maintained under accrual basis except for certain financial instruments which are measured at fair value and in accordance with the Indian Accounting Standards prescribed under Companies Act, 2013.

#### 2.2 **Application of Indian Accounting Standards (Ind-AS)**

The Company adopted Indian Accounting Standards (Ind AS) from April 1, 2016 and accordingly the financial statements have been prepared in accordance with the recognition and measurement principles as notified by MCA under the Companies (Indian Accounting Standards) Rules, 2015 ("Ind AS Rules"), as amended and other relevant provisions of the Companies Act, 2013.

The Company has complied all the Ind AS as applicable and relevant to the Company.

#### 2.3 **Use of Estimates**

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. Revision to accounting estimates are recognised in the period on which the estimates are revised and, if material their effects are disclosed on the notes to the financial statements.

#### 2.4 **Current and Non-current Classification**

The Company presents assets and liabilities in the Balance sheet based on current/non-current classification. An asset are treated as current by the company when:

- a) its expects to realize the asset, or intends to sell or consume it in its normal operating cycle;
- b) it holds the assets primarily for the purpose of trading;
- c) it expects to realize the asset within twelve months after the reporting date; or
- d) the asset is cash or cash equivalent (as defined under Ind AS 7) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

Except the above, all other assets are classified as Non-current.

#### **A liability is treated as current by the company when:**

- a) its expects to settle the liability realize the asset, or intends to sell or consume it in its normal operating cycle;
- b) it expects to settle the liability in its normal operating cycle;
- c) it holds the liability primarily for the purpose of trading;
- d) the liability is due to be settled within twelve months after the reporting period; or





- e) it does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Except the above, all other liabilities are classified as non-current.

## 2.5 Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable and fair value has been defined taking into account contractually defined terms of payment. Operating revenue recognized is net of all promotional expenses and discounts, rebates and/or any other incentive to customers.

### Sale of Products

An entity shall account for a sale contract with a customer only when all of the following criteria are met:

- (a) the parties to the contract have approved the contract (in writing, orally or in accordance with other customary business practices) and are committed to perform their respective obligations;
- (b) the entity can identify each party's rights regarding the goods to be transferred;
- (c) the entity can identify the payment terms for the goods to be transferred;
- (d) the contract has commercial substance i.e the risk, ownership, timing or amount of the entity's future cash flows etc is expected to change as a result of the contract; and
- (e) it is probable that the entity will collect the consideration to which it will be entitled in exchange for the goods that will be transferred to the customer.

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. This is as per consistent practice followed by the company.

### Sale of Services

Income from conversion of job work is accounted for on the basis of actual quantity dispatched. When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction shall be recognized by reference to the stage of completion (Percentage of Completion Method) of the transaction at the end of the reporting period.

Advances received from the customers are reported as customer's deposits unless the above conditions for revenue recognition are met.

### Other Operating Revenues

- a. Sale of Scrap  
Sale of Scrap is accounted for on delivery of material.
- b. Interest from Customers  
In case of credit sales, interest up to the date of Balance Sheet on all outstanding bills is accounted for on accrual basis.
- c. Interest from Contractors against mobilisation advance for mining operations  
Interest up to the date of Balance Sheet on all mobilisation advances for mining operations is accounted for on accrual basis.
- d. Penalty and Liquidated Damages

Penalty and liquidated damages are accounted for as and when these are realised by the company as per contract terms.



### Other Income

a. Claims

Claims are recognized in the Statement of Profit & Loss (Net of any payable) including receivables from Government towards subsidy, cash incentives, reimbursement of losses, etc, when there is certainty of realisation of such claim and that can be measured reliably.

b. Dividend and Interest from Investments

Dividend income from Investments is recognised in the Statement of Profit and Loss when the right to receive the dividend has been established and it is certain that the economic benefits will flow to the company and the amount of income can be measured reliably.

Interest Income from a financial asset is recognised using Effective Interest Method. When it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

c. Profit on Sale of Investment

Profit on sale of investment is recognised upon transfer of title by the company and is determined as the difference between the sales price and the then carrying value of the investment.

d. Provisions not required written back

Provisions/Liabilities created from business activities in earlier years no longer required are accounted for.

e. Others

Any other income is recognised on accrual basis.

### 2.6 Employees Benefit

Retirement benefit costs and termination benefits

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognized in other comprehensive income in the period in which they occur. Re-measurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to Statement of Profit or Loss. Past service cost is recognized in Statement of Profit or Loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorized as follows:

- i. Service cost (including current service cost, past service cost, etc.);
- ii. Net interest expense or income; and
- iii. Re-measurement.

The company presents the first two components of defined benefit costs in profit or loss in the line item 'employee benefits expense'.

The retirement benefit obligation recognized in the statement of financial position represents the actual deficit or surplus in the company defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognized at the earlier of when the company can no longer withdraw the offer of the termination benefit and when the company recognises any related restructuring costs.



### **Short-term and other long-term employee benefits**

A liability is recognized for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognized in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the company in respect of services provided by employees up to the reporting date.

### **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.

## **2.7 Borrowing Cost**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest expenses calculated using the effective interest method and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs

## **2.8 Taxation**

Income tax expense represents the sum of current tax and deferred tax.

### **Current tax**

The current tax payable is based on taxable profit for the year as determined from net profit before tax as represented in Statement of Profit and Loss and Other Comprehensive Income, in line with different provisions under Income Tax Act 1961. Current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

### **Deferred tax**

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

### **Current and Deferred Tax for the year**

Current and deferred tax are recognized in Statement of Profit or Loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.



### **2.9(a) Property Plant and Equipments (PPE)**

The cost of an item of PPE is recognized as an asset if and only if, it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The cost of an item of PPE is the cash price equivalent at the recognition date. The cost of an item of PPE comprises:

- i. Purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.
- ii. Costs directly attributable to bringing the PPE to the location and condition necessary for it to be capable of operating in the manner intended by management.
- iii. The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which the company incurs either when the PPE is acquired or as a consequence of having used the PPE during a particular period for purposes other than to produce inventories during that period.

The company has chosen the cost model of recognition and this model is applied to an entire class of PPE. After recognition as an asset, an item of PPE is carried at its cost less any accumulated depreciation and any accumulated impairment losses.

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.

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 incidentals to construction are capitalized allocating to various items of PPE on an appropriate basis. Expansion programme involving construction concurrently run with normal production activities in an existing unit, all direct capital expenditure in relation to such expansion are capitalized but indirect expenditure are charged to revenue. Borrowing costs that are attributable to the acquisition or construction of qualifying asset are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use.

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.

Physical verification of PPE is conducted every year so that all the units/offices are covered once in a block of three years interval. Shortage/(Excesses), if any, identified on such physical verification is duly adjusted in the books of accounts in the year of identification.

### **Depreciation and Amortization**

The company has used the exemption available in Ind AS 101 with respect to recognition of Plant, Property and Equipment (PPE) and Intangible Assets at their carrying value being deemed cost.

The depreciable amount of an item of PPE is allocated on a straight line basis over its useful life prescribed in Part C of Schedule II of the Companies Act, 2013 or actual useful life of assets assessed by the Technical Committee of the company, whichever is lower. The residual value and the useful life of an asset are reviewed, at each financial year-end. Each part of an item of PPE with a cost that is significant in relation to the total cost of the item is depreciated separately. Depreciation on all such items have been provided from the date they are 'Put to Use' till the date of sale and includes amortization of intangible assets and lease hold assets. Freehold land is not depreciated. The residual value of all such items is taken at 5% of the original cost of individual asset.

An item of PPE is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Certain consumable items of small value whose useful life is very limited are directly charged to revenue in the year of purchase.

From the date Ind AS came into effect, the carrying amount of an asset is depreciated over the remaining useful life of the asset as per estimate of remaining useful life. Wherever, the remaining useful life of an asset is nil, the carrying amount is recognized in the opening balance of retained earnings after retaining the residual value.



### 2.9(b) Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation (calculated on a straight-line basis over their useful lives) and accumulated impairment losses, if any.

Internally generated intangibles, excluding capitalised development costs, are not capitalised. Instead, the related expenditure is recognised in the statement of profit and loss and other comprehensive income in the period in which the expenditure is incurred. An internally generated intangible asset arising from development is recognized if all the conditions stipulated in “Ind AS 38-Intangible Asset” are met. The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss.

An intangible asset with an indefinite useful life is not amortised but is tested for impairment at each reporting date and its useful life is reviewed in each reporting period to determine whether events and circumstances continue to support an indefinite useful life estimate.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss.

Intangible Assets other than Software are amortized over estimated useful life which is equivalent to license period, generally not more than 5 years.

Cost of Software recognized as intangible asset, is amortised on straight line method over a period of legal right to use with a nil residual value. Otherwise the cost of software will be charged in the year of incurrence.

### 2.10 Capital Work in Progress

Assets in the course of construction are included under capital work –in-progress and are carried at cost, less any recognized impairment loss. Such capital work-in-progress, on completion, is transferred to the appropriate category of property, plant and equipment.

### 2.11 Mine Development Expenditure

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 depleted on the basis of ore raised during the year and the mineable ore reserves estimated from time to time.

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.

In respect of open cast mines : The expenditure on removal of waste and overburden, is capitalized and the same is depleted in relation to actual ore production during the year on the stripping ratio which is re-assessed periodically based on the estimated ore reserve as well as the quantity of waste excavation in respect of open cast mines. Subsequently, If any ore is reclaimed from overburden, the same is included in inventory at a value based on opening rate of mine development expenditure with a corresponding credit in Mine development expenditure.

Expenditure incurred on development of new deposits are capital in nature and is included in mine development expenditure. If subsequently the development activities are found to be not viable, the expenditure on such development work included in mine development expenditure is written off in the year in which it is decided to abandon the project.

If a working mine is closed due to economic reasons, the un-depleted value of 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 depleting it year wise based on the estimated remaining life of that mine.



### 2.12 Overhauling Expenses

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

### 2.13 Mine Closure Expenditure

Financial implications towards final mine closure plans under relevant Acts and Rules are technically estimated and Mine Closure Reserve is created based on the estimated life of the mines over the period by charging the same to Statement of Profit and Loss.

### 2.14 Non-Current Assets Held for Sale

The company classifies a non-current asset (or disposal group of assets) as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. Immediately before the initial classification of the asset (or disposal group) as held for sale, the carrying amounts of the asset (or all the assets and liabilities in the group) are to be measured in accordance with applicable Indian Accounting Standards. The sale should be expected to qualify for recognition as a completed sale within one year from the date of classification except as permitted by Ind AS 105.

### 2.15 Inventories

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.

Finished goods and work-in-process are valued at the lower of the net realizable value and weighted average cost to the unit. The cost is exclusive of financing cost, such as, interest, bank charges, administration overhead, etc. Ore is valued at cost since its realisable value cannot be ascertained.

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.

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.

The inventories out of inter-unit transfers (material in transit) at the close of the year are valued and accounted in the books of the transferor unit on the basis of cost plus transportation to the transferee unit or net realisable value whichever is lower.

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.

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 Property Plant and Equipments.

Physical verification of Semi-Finished and In-Process (WIP) and Finished Goods is conducted departmentally in all the units at reasonable intervals during the year by a duly approved committee. Also, physical stock verification of WIP and Finished Goods is undertaken by a duly approved committee at the end of every financial year alongwith an independent agency once in a block of three years. In respect of Stores and Spares, physical verification is carried out by external agencies once in every year covering all the units. Shortage/(Excesses), if any, identified on such physical verification is duly adjusted in the books of accounts in the year of identification





## 2.16 Government Grants

All government grants are recognized as deferred income and it will be taken to Statement of Profit and Loss over the period of time in accordance with the pattern in which the obligations are met.

## 2.17 Impairment of Assets (Other than Financial Assets)

The Company assesses at the end of each reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in Statement of Profit and Loss, unless the relevant asset is carried at a revalue amount, in which case the impairment loss is treated as a revaluation decrease.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

## 2.18 Foreign Exchange Transactions

Transactions in currencies other than the company's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are re-translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Foreign currency monetary items (except overdue recoverable where realizability is uncertain) are converted using the closing rate as defined in the Ind AS-21. The effects of changes in Foreign Exchange Rates. Non-monetary items are reported using the exchange rate at the date of the transaction. The exchange difference gain/loss is recognized in the Statement of Profit and Loss.

In case of long term foreign currency monetary items outstanding as of 31<sup>st</sup> March 2016, liability in foreign currency loans relating to acquisition of fixed assets is converted using the closing rate as defined in Ind AS 21-The effects of changes in Foreign Exchange Rates and the difference in exchange is recognized in terms of exemptions given in paragraph D13AA of Appendix D to Ind AS-101, where the effect of exchange differences on foreign currency loans of the company is accounted for by addition or deduction to the cost of the assets so far it relates to the depreciable capital assets and shall be depreciated over the balance life of the assets.

Other long term foreign currency monetary items are accumulated in 'Equity Component of Foreign Currency asset/liability Account' and amortized over the balance period of the asset/liability by recognition as income or expense in each of such periods as stated under Para 29A of Ind As 21.



## 2.19 Provisions, Contingent Liabilities & Contingent Assets

Provisions are recognized when the company has a present obligation (legal or constructive) as a result of a past event and it is probable that the company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

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.

Contingent Assets are not recognised in the financial statements but are disclosed in Notes to the Accounts. Such assets occur when the inflow of economic benefits is probable. Such contingent assets are assessed continuously, if it's virtually certain that inflow of economic benefits will arise then such assets and the relative income will be recognised in the financial statements.

## 2.20 Leasing

Assets held under lease, in which a significant portion of the risks and rewards of ownership are transferred to lessee are classified as finance leases. All other leases are classified as operating leases.

Depreciation expenses are recorded if asset held under finance lease is depreciable.

Finance expenses are recognized immediately in the statement of profit and loss if they are not directly attributable to qualifying assets, otherwise they are capitalised in accordance with the company's general policy on borrowing costs.

Operating lease payments are recognized as an expense on a straight-line basis over the lease term.

## 2.21 Financial Instruments

### Non Derivative Financial Instruments

#### (i) Initial Recognition

Financial assets and financial liabilities are recognized when the company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

#### (ii) Subsequent Recognition

##### a. Financial assets

Financial assets are subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss.

##### b. Financial Liabilities

Financial liabilities are subsequently measured at amortized cost using Effective Interest Rate (EIR) method except for derivatives, which are measured at fair value.



### **Derivative Financial Instruments**

All derivatives are recognized and measured at fair value with changes in fair value being recognized in profit or loss for the period.

### **Impairment of financial assets**

At each reporting date, assessment is made whether the credit risk on a financial instrument has increased significantly or not since initial recognition.

If the credit risk on a financial instrument has not increased significantly since initial recognition, the loss allowance is measured for that financial instrument at an amount equal to 12 month expected credit losses. If the credit risk on that financial instrument has increased significantly since initial recognition, the loss allowance is measured for a financial instrument at an amount equal to the lifetime expected credit losses.

The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date is recognised as an impairment gain or loss in the statement of profit and loss.

### **2.22 Events Occurring after the Reporting Period**

The company adjusts the amount recognized in its financial statements to reflect adjusting material events after the reporting period and does not adjust the amount to reflect non-adjusting events after the reporting period. However where retrospective restatement is not practicable for a particular prior period then the circumstances that lead to the existence of that condition and the description of how and from where the error is corrected are disclosed in Notes on Accounts.

### **2.23 Dividends**

Final dividend on shares are recorded as a liability on the date of approval by the shareholders in general meeting and interim dividends are recorded as a liability on the date of declaration by the directors in the meeting of the Board of Directors.

### **2.24 Cash and Cash Equivalents**

Cash and cash equivalent in the Balance Sheet comprise cash at bank and on hand and short term deposit with an original maturity of three months or less which are subject to insignificant risk of changes in value.

### **2.25 Rounding of amounts**

Amounts in these financial statements have, unless otherwise indicated, have been rounded off to 'Rupees in lakh' upto two decimal points.



Notes to the Standalone Financial Statements (Contd...)

Note No. : 3 (A) Property, Plant and Equipment (Active Assets)

| DESCRIPTION   | (₹ in lakh)    |  |                                       |   |               |                             |                |                                       |                     |                 |
|---|----------------|--|---------------------------------------|---|---------------|-----------------------------|----------------|---------------------------------------|---------------------|-----------------|
|   | Free Hold Land | Buildings including Sanitary and Water Supply System | Plant, Machinery and Mining Equipment | Furniture & Fixtures & Office Equipment | Vehicles      | Roads, Bridges and Culverts | Railway Siding | Electrical Equipment and Installation | Shafts and Inclines | Total           |
| <b>Gross Carrying Amount</b>                                      |                |  |                                       |   |               |                             |                |                                       |                     |                 |
| Gross Carrying Amount as at 01.04.2018                            | 2446.58        | 6748.32  | 24190.42                              | 461.30                                  | 189.40        | 1826.38                     | 293.87         | 2675.57                               | 444.81              | 39276.65        |
| Additions   | -              | 285.97   | 2667.66                               | 45.22                                   | -             | -                           | -              | 88.85                                 | -                   | 3087.70         |
| Inter-head Transfer In /(Out)                                     | -              | (301.00)   | 337.90                                | (155.00)                                | -             | -                           | -              | 118.10                                | -                   | 0.00            |
| Transfer From Discarded Assets                                    | -              | -  | 0.60                                  | -                                       | 0.20          | -                           | -              | -                                     | -                   | 0.80            |
| Transfer To Discarded Assets                                      | -              | (0.46)   | (1039.16)                             | (33.30)                                 | (19.26)       | -                           | -              | (4.11)                                | (0.60)              | (1096.89)       |
| Disposals   | -              | -  | (29.34)                               | (0.21)                                  | (2.11)        | -                           | -              | (0.17)                                | -                   | (31.83)         |
| Impairment Losses Prov. Trf to Discarded Assets                   | -              | -  | 464.01                                | -                                       | -             | -                           | -              | -                                     | -                   | 464.01          |
| Adjustments   | -              | (3.98)   | (4.03)                                | (0.14)                                  | 0.01          | 0.01                        | (0.01)         | (0.02)                                | -                   | (8.16)          |
| <b>Gross Carrying Amount as at 31.03.2019</b>                     | <b>2446.58</b> | <b>6728.85</b>                                       | <b>26588.06</b>                       | <b>317.87</b>                           | <b>168.24</b> | <b>1826.39</b>              | <b>293.86</b>  | <b>2878.22</b>                        | <b>444.21</b>       | <b>41692.28</b> |
| <b>Accumulated Depreciation &amp; Impairment</b>                  |                |  |                                       |   |               |                             |                |                                       |                     |                 |
| Accumulated Depreciation as at 01.04.2018                         | -              | 908.82   | 3787.36                               | 155.81                                  | 33.28         | 653.49                      | 65.34          | 444.83                                | 27.98               | 6076.91         |
| Depreciation charge during the year                               | -              | 526.38   | 2749.59                               | 59.30                                   | 30.62         | 333.90                      | 32.67          | 220.15                                | 13.99               | 3966.60         |
| Inter-head Transfer In /(Out)                                     | -              | 607.50   | (610.79)                              | (110.30)                                | -             | -                           | -              | 113.59                                | -                   | 0.00            |
| Transfer From Discarded Assets                                    | -              | -  | -                                     | -                                       | -             | -                           | -              | -                                     | -                   | -               |
| Transfer To Discarded Assets                                      | -              | -  | -                                     | -                                       | -             | -                           | -              | -                                     | -                   | -               |
| Impairment Losses   | -              | -  | -                                     | -                                       | -             | -                           | -              | -                                     | -                   | -               |
| Disposals   | -              | -  | -                                     | -                                       | -             | -                           | -              | -                                     | -                   | -               |
| <b>Accumulated Depreciation &amp; Impairment as at 31.03.2019</b> | <b>-</b>       | <b>2042.70</b>                                       | <b>5926.16</b>                        | <b>104.81</b>                           | <b>63.90</b>  | <b>987.39</b>               | <b>98.01</b>   | <b>778.57</b>                         | <b>41.97</b>        | <b>10043.51</b> |
| <b>Net Carrying Amount as at 31.03.2019</b>                       | <b>2446.58</b> | <b>4686.15</b>                                       | <b>20661.90</b>                       | <b>213.06</b>                           | <b>104.34</b> | <b>839.00</b>               | <b>195.85</b>  | <b>2099.65</b>                        | <b>402.24</b>       | <b>31648.77</b> |
| <b>Gross Carrying Amount</b>                                      |                |  |                                       |   |               |                             |                |                                       |                     |                 |
| Gross Carrying Amount as at 01.04.2019                            | 2446.58        | 6728.85  | 26588.06                              | 317.87                                  | 168.24        | 1826.39                     | 293.86         | 2878.22                               | 444.21              | 41692.28        |
| Additions   | -              | 14.47  | 1,626.18                              | 84.29                                   | 57.73         | -                           | -              | 41.52                                 | -                   | 1,824.19        |
| Inter-head Transfer In /(Out)                                     | -              | -  | -                                     | -                                       | -             | -                           | -              | -                                     | -                   | -               |
| Transfer From Discarded Assets                                    | -              | -  | -                                     | -                                       | -             | -                           | -              | -                                     | -                   | -               |
| Transfer To Discarded Assets                                      | -              | -  | -                                     | -                                       | -             | -                           | -              | -                                     | -                   | -               |
| Disposals   | -              | -  | (13.59)                               | (0.01)                                  | (0.45)        | -                           | -              | (0.02)                                | -                   | (14.07)         |
| Impairment Losses Prov. Trf to Discarded Assets                   | -              | -  | -                                     | -                                       | -             | -                           | -              | -                                     | -                   | -               |
| Adjustments   | -              | -  | 0.58                                  | (0.01)                                  | -             | 0.01                        | -              | (0.01)                                | -                   | 0.57            |
| <b>Gross Carrying Amount as at 31.03.2020</b>                     | <b>2446.58</b> | <b>6743.32</b>                                       | <b>28201.23</b>                       | <b>402.14</b>                           | <b>225.52</b> | <b>1826.40</b>              | <b>293.86</b>  | <b>2919.71</b>                        | <b>444.21</b>       | <b>43502.97</b> |
| <b>Accumulated Depreciation &amp; Impairment</b>                  |                |  |                                       |   |               |                             |                |                                       |                     |                 |
| Accumulated Depreciation as at 01.04.2019                         | -              | 2042.70  | 5926.16                               | 104.81                                  | 63.90         | 987.39                      | 98.01          | 778.57                                | 41.97               | 10043.51        |
| Depreciation charge during the year                               | -              | 522.27   | 2846.05                               | 43.37                                   | 29.44         | 325.17                      | 32.67          | 222.95                                | 13.99               | 4035.91         |
| Inter-head Transfer In /(Out)                                     | -              | -  | -                                     | 0.00                                    | -             | -                           | -              | -                                     | -                   | -               |
| Transfer From Discarded Assets                                    | -              | -  | -                                     | -                                       | -             | -                           | -              | -                                     | -                   | -               |
| Transfer To Discarded Assets                                      | -              | -  | -                                     | -                                       | -             | -                           | -              | -                                     | -                   | -               |
| Impairment Losses   | -              | -  | -                                     | -                                       | -             | -                           | -              | -                                     | -                   | -               |
| Disposals   | -              | -  | -                                     | -                                       | -             | -                           | -              | -                                     | -                   | -               |
| <b>Accumulated Depreciation &amp; Impairment as at 31.03.2020</b> | <b>-</b>       | <b>2564.97</b>                                       | <b>8772.21</b>                        | <b>148.18</b>                           | <b>93.34</b>  | <b>1312.56</b>              | <b>130.68</b>  | <b>1001.52</b>                        | <b>55.96</b>        | <b>14079.42</b> |
| <b>Net Carrying Amount as at 31.03.2020</b>                       | <b>2446.58</b> | <b>4178.35</b>                                       | <b>19429.02</b>                       | <b>253.96</b>                           | <b>132.18</b> | <b>513.84</b>               | <b>163.18</b>  | <b>1918.19</b>                        | <b>388.25</b>       | <b>29423.55</b> |

Note : HCL has used the exemption available in Ind AS 101 with respect to recognition of Property, Plant, Equipments (PPE) and Intangible Assets at their carrying value.



Note : 3 (B) Property, Plant and Equipment (Discarded Assets)

| DESCRIPTION   | Free Hold & Lease Hold Land | Buildings including Sanitary and Water Supply System | Plant, Machinery and Mining Equipment | Furniture & Fixtures & Office Equipment | Vehicles     | Roads, Bridges and Culverts | Railway Siding | Electrical Equipment and Installation | Shafts and Inclines | Total          |
|---|-----------------------------|--|---------------------------------------|---|--------------|-----------------------------|----------------|---------------------------------------|---------------------|----------------|
| <b>Gross Carrying Amount</b>                                      |                             |  |                                       |   |              |                             |                |                                       |                     |                |
| Gross Carrying Amount as at 01.04.2018                            | 3.64                        | 181.45   | 372.93                                | 6.26                                    | 4.03         | 24.93                       | -              | 58.17                                 | 91.70               | 743.11         |
| Additions   | -                           | -  | -                                     | -                                       | -            | -                           | -              | -                                     | -                   | -              |
| Inter-head Transfer In/(Out)                                      | -                           | 0.46   | 1,039.16                              | 33.30                                   | 19.26        | -                           | -              | 4.11                                  | 0.60                | 1,096.89       |
| Transfer From Active Assets                                       | -                           | -  | (0.60)                                | -                                       | (0.20)       | -                           | -              | -                                     | -                   | (0.80)         |
| Transfer To Active Assets   | -                           | -  | (0.64)                                | -                                       | -            | -                           | -              | -                                     | -                   | (0.64)         |
| Disposals   | -                           | -  | (464.01)                              | -                                       | -            | -                           | -              | -                                     | -                   | (464.01)       |
| Impairment Losses   | -                           | -  | -                                     | -                                       | -            | -                           | -              | -                                     | -                   | -              |
| Adjustments   | -                           | -  | -                                     | -                                       | -            | -                           | -              | -                                     | -                   | -              |
| <b>Gross Carrying Amount as at 31.03.2019</b>                     | <b>3.64</b>                 | <b>181.91</b>  | <b>946.84</b>                         | <b>39.56</b>                            | <b>23.09</b> | <b>24.93</b>                | <b>0.00</b>    | <b>62.28</b>                          | <b>92.30</b>        | <b>1374.55</b> |
| <b>Accumulated Depreciation as at 01.04.2018</b>                  |                             |  |                                       |   |              |                             |                |                                       |                     |                |
| Depreciation charge during the year                               | -                           | -  | -                                     | -                                       | -            | -                           | -              | -                                     | -                   | -              |
| Inter-head Transfer In/(Out)                                      | -                           | -  | -                                     | -                                       | -            | -                           | -              | -                                     | -                   | -              |
| Transfer From Discarded Assets                                    | -                           | -  | -                                     | -                                       | -            | -                           | -              | -                                     | -                   | -              |
| Transfer To Discarded Assets                                      | -                           | -  | -                                     | -                                       | -            | -                           | -              | -                                     | -                   | -              |
| Impairment Losses   | -                           | -  | -                                     | -                                       | -            | -                           | -              | -                                     | -                   | -              |
| Disposals   | -                           | -  | -                                     | -                                       | -            | -                           | -              | -                                     | -                   | -              |
| <b>Accumulated Depreciation &amp; Impairment as at 31.03.2019</b> | <b>3.64</b>                 | <b>181.91</b>  | <b>946.84</b>                         | <b>39.56</b>                            | <b>23.09</b> | <b>24.93</b>                | <b>-</b>       | <b>62.28</b>                          | <b>92.30</b>        | <b>1374.55</b> |
| <b>Net Carrying Amount as at 31.03.2019</b>                       |                             |  |                                       |   |              |                             |                |                                       |                     |                |
| Less Provisions for Discarded Assets                              | -                           | -  | -                                     | -                                       | -            | -                           | -              | -                                     | -                   | -              |
| <b>Net Carrying Amount (Net of Provisions) as at 31.03.2019</b>   |                             |  |                                       |   |              |                             |                |                                       |                     |                |
| Gross Carrying Amount   | 3.64                        | 181.91   | 946.84                                | 39.56                                   | 23.09        | 24.93                       | -              | 62.28                                 | 92.30               | 1374.55        |
| Additions   | -                           | -  | -                                     | -                                       | -            | -                           | -              | -                                     | -                   | -              |
| Inter-head Transfer In/(Out)                                      | -                           | -  | -                                     | -                                       | -            | -                           | -              | -                                     | -                   | -              |
| Transfer From Active Assets                                       | -                           | -  | -                                     | -                                       | -            | -                           | -              | -                                     | -                   | -              |
| Transfer To Active Assets   | -                           | -  | -                                     | -                                       | -            | -                           | -              | -                                     | -                   | -              |
| Disposals   | -                           | -  | -                                     | -                                       | -            | -                           | -              | -                                     | -                   | -              |
| Impairment Losses   | -                           | -  | -                                     | -                                       | -            | -                           | -              | -                                     | -                   | -              |
| Adjustments   | -                           | -  | -                                     | -                                       | -            | -                           | -              | -                                     | -                   | -              |
| <b>Gross Carrying Amount as at 31.03.2020</b>                     | <b>3.64</b>                 | <b>181.91</b>  | <b>946.84</b>                         | <b>39.56</b>                            | <b>23.09</b> | <b>24.93</b>                | <b>0.00</b>    | <b>62.28</b>                          | <b>92.30</b>        | <b>1374.55</b> |
| <b>Accumulated Depreciation &amp; Impairment</b>                  |                             |  |                                       |   |              |                             |                |                                       |                     |                |
| Accumulated Depreciation as at 01.04.2019                         | -                           | -  | -                                     | -                                       | -            | -                           | -              | -                                     | -                   | -              |
| Depreciation charge during the year                               | -                           | -  | -                                     | -                                       | -            | -                           | -              | -                                     | -                   | -              |
| Inter-head Transfer In/(Out)                                      | -                           | -  | -                                     | -                                       | -            | -                           | -              | -                                     | -                   | -              |
| Transfer From Discarded Assets                                    | -                           | -  | -                                     | -                                       | -            | -                           | -              | -                                     | -                   | -              |
| Transfer To Discarded Assets                                      | -                           | -  | -                                     | -                                       | -            | -                           | -              | -                                     | -                   | -              |
| Impairment Losses   | -                           | -  | -                                     | -                                       | -            | -                           | -              | -                                     | -                   | -              |
| Disposals   | -                           | -  | -                                     | -                                       | -            | -                           | -              | -                                     | -                   | -              |
| <b>Accumulated Depreciation &amp; Impairment as at 31.03.2020</b> | <b>3.64</b>                 | <b>181.91</b>  | <b>946.84</b>                         | <b>39.56</b>                            | <b>23.09</b> | <b>24.93</b>                | <b>0.00</b>    | <b>62.28</b>                          | <b>92.30</b>        | <b>1374.55</b> |
| <b>Net Carrying Amount as at 31.03.2020</b>                       |                             |  |                                       |   |              |                             |                |                                       |                     |                |
| Less Provisions for Discarded Assets                              | -                           | -  | -                                     | -                                       | -            | -                           | -              | -                                     | -                   | -              |
| <b>Net Carrying Amount (Net of Provisions) as at 31.03.2020</b>   |                             |  |                                       |   |              |                             |                |                                       |                     |                |

Note : HCL has used the exemption available in Ind AS 101 with respect to recognition of Property, Plant, Equipments (PPE) and Intangible Assets at their carrying value.



Notes to the Standalone Financial Statements (Contd...)

(₹ in lakh)

| Particulars | As at<br>31 <sup>st</sup> March, 2020 | As at<br>31 <sup>st</sup> March, 2019 |
|-------------|---------------------------------------|---------------------------------------|
|-------------|---------------------------------------|---------------------------------------|

**Note No. 4 : CAPITAL WORK IN PROGRESS**

|                                      |                         |                         |
|--------------------------------------|-------------------------|-------------------------|
| i) Building                          | 163.27                  | 24.22                   |
| ii) Plant & Machinery                | 34389.11                | 33836.57                |
| iii) Others including Mine Expansion | 92018.10                | 72439.01                |
|                                      | <u>126570.48</u>        | <u>106299.80</u>        |
| Less: Provision                      | 3392.91                 | 4088.49                 |
| <b>Total</b>                         | <b><u>123177.57</u></b> | <b><u>102211.31</u></b> |

**Note No. 5 : NON - CURRENT FINANCIAL ASSETS - INVESTMENTS**

|  |                    |                     |
|--|--------------------|---------------------|
| i) Investments in equity instruments - (classified as at cost)       |                    |                     |
| Investment in Subsidiary Company - Chhattisgarh Copper Limited (CCL) | 18.50              | 18.50               |
| Less : Provision for share of Loss of Investment in Subsidiary       | 18.35              | -                   |
| <b>Total</b>   | <b><u>0.15</u></b> | <b><u>18.50</u></b> |

(Investment in CCL 185,000 Nos. (Previous Year 185,000Nos.) of equity shares of ₹10 (Previous Year ₹10) each fully paid up as at 31.03.2020)

**Details of Subsidiary**

| Principal Activity and place of incorporation                              | Principal place of business | Proportion of ownership interest / voting rights held by the Company as on 31.03.2020 |
|--|-----------------------------|---|
| Exploration & Mining and beneficiation of copper & its associated minerals | Chhattisgarh                | 74%   |

|  |  |      |
|--|--|------|
| ii) Investments in equity instruments - (classified as at cost)  |  |      |
| A Joint Venture Company (JVC) named Khanij Bidesh India Limited (KABIL) was formed on 01.08.2019 among National Aluminium Company (NALCO), Hindustan Copper Limited (HCL) and Mineral Exploration Corporation Limited (MECL) |  |      |
| Investment in JV Company - Khanij Bidesh India Limited (KABIL)   |  | 3.00 |
| (Investment in KABIL 30,000 Nos. (Previous Year Nil) of equity shares of ₹10 (Previous Year ₹ Nil) each fully paid up as at 31.03.2020)  |  |      |

**Details of JVC**

| Principal Activity and place of incorporation   | Principal place of business | Proportion of ownership interest / voting rights held by the Company as on 31.03.2020 |
|---|-----------------------------|---|
| To identify, explore, acquire, develop, process primarily strategic minerals overseas for supply to India for meeting domestic requirements and for sale to any other countries for commercial use. | New Delhi                   | 30%   |

|  |                    |                     |
|--|--------------------|---------------------|
| iii. Non Trade Investment in Debentures  | 0.17               | 0.17                |
| Less : Provision for diminution in value | 0.17               | 0.17                |
| <b>TOTAL</b>                             | <b><u>3.15</u></b> | <b><u>18.50</u></b> |
| <b>AGGREGATE BOOK VALUE - UNQUOTED</b>   | <b><u>3.15</u></b> | <b><u>18.50</u></b> |
| <b>AGGREGATE BOOK VALUE - QUOTED</b>     | <b><u>Nil</u></b>  | <b><u>Nil</u></b>   |
| <b>MARKET PRICE OF QUOTED INVESTMENT</b> | <b><u>-</u></b>    | <b><u>-</u></b>     |





Notes to the Standalone Financial Statements (Contd...)

(₹ in lakh)

| Particulars | As at<br>31 <sup>st</sup> March, 2020 | As at<br>31 <sup>st</sup> March, 2019 |
|-------------|---------------------------------------|---------------------------------------|
|-------------|---------------------------------------|---------------------------------------|

**Note No. 6 : NON - CURRENT FINANCIAL ASSETS - OTHERS**

Bank deposits with more than 12 months maturity  
- With scheduled banks  
**Total**

|              |              |
|--------------|--------------|
| 26.36        | 12.47        |
| <b>26.36</b> | <b>12.47</b> |

**Note No. 7 : DEFERRED TAX ASSETS (NET)**

**i) DEFERRED TAX ASSET**

|                                   |                |                |  |
|-----------------------------------|----------------|----------------|--|
| OPENING BALANCE                   | 9243.90        | 8780.81        |  |
| Adjustment/Credit during the year | (3379.68)      | 463.09         |  |
| <b>CLOSING BALANCE</b>            | <b>5864.22</b> | <b>9243.90</b> |  |

**ii) DEFERRED TAX LIABILITY**

|                                   |                  |                  |  |
|-----------------------------------|------------------|------------------|--|
| OPENING BALANCE                   | (2998.28)        | (3203.10)        |  |
| Adjustment/Credit during the year | 1083.85          | 204.82           |  |
| <b>CLOSING BALANCE</b>            | <b>(1914.43)</b> | <b>(2998.28)</b> |  |

**i)-ii) DEFERRED TAX ASSETS / (LIABILITIES) (Net)**

|                |                |
|----------------|----------------|
| <b>3949.79</b> | <b>6245.62</b> |
|----------------|----------------|

**iii) DEFINED BENEFIT PLANS**

|                                   |                |               |  |
|-----------------------------------|----------------|---------------|--|
| OPENING BALANCE                   | 585.74         | -             |  |
| Adjustment/Credit during the year | 755.28         | 585.74        |  |
| <b>CLOSING BALANCE</b>            | <b>1341.02</b> | <b>585.74</b> |  |

|  |                |                |
|--|----------------|----------------|
| <b>DEFERRED TAX ASSETS / (LIABILITIES) (Net) including OCI</b> | <b>5290.81</b> | <b>6831.36</b> |
|--|----------------|----------------|

(Refer Note No. 39 General Notes on Accounts Point No. 18)

**Note No. 8 : NON-CURRENT TAX ASSETS (NET)**

Income Tax (including advance income tax, TDS & excluding  
current tax liability) Unsecured - Considered good  
**Total**

|               |               |
|---------------|---------------|
| 689.82        | 620.33        |
| <b>689.82</b> | <b>620.33</b> |



Notes to the Standalone Financial Statements (Contd...)

(₹ in lakh)

| Particulars  | As at<br>31 <sup>st</sup> March, 2020 | As at<br>31 <sup>st</sup> March, 2019 |
|--|---------------------------------------|---------------------------------------|
| <b>Note No. 9 : OTHER NON - CURRENT ASSETS</b>   |                                       |                                       |
| <b>a) MOBILISATION ADVANCES</b>  |                                       |                                       |
| i) Secured (considered good)   | 1632.12                               | 2178.89                               |
| ii) Unsecured (considered good)  |                                       |                                       |
| – Against Bank Guarantee   | -                                     | -                                     |
| – Others   | -                                     | -                                     |
| iii) Unsecured (considered doubtful)   | 0.02                                  | 0.02                                  |
| Less: Provisions for Capital Advances *  | 0.02                                  | 0.02                                  |
| <b>b) Other Loans &amp; Advances</b>   |                                       |                                       |
| Receivable from MPSEB  | -                                     | 828.53                                |
| <b>c) Mine Development Expenditure</b>   |                                       |                                       |
| As per Last Balance Sheet  | 51115.82                              | 53068.54                              |
| Add: Expenditure during the Year (as per Note Below)   | 22505.21                              | 19898.22                              |
|  | 73621.03                              | 72966.76                              |
| Less: Value of Ore recovered during Mine Development   | 144.95                                | 223.84                                |
| Less: Amortisation during the Year   | 25271.73                              | 21627.10                              |
|  | 48204.35                              | 51115.82                              |
| Less: Provision  | 4664.86                               | 4664.86                               |
| <b>TOTAL</b>   | <b>43539.49</b>                       | <b>46450.96</b>                       |
| <b>Note: MINE DEVELOPMENT EXPENDITURE DURING THE YEAR</b>  |                                       |                                       |
| i) Salaries, Wages, Allowances   | 2655.31                               | 2182.50                               |
| ii) Contribution to Provident & Other Funds  | 211.43                                | 170.84                                |
| iii) Workmen & Staff Welfare Expenses  | 9.68                                  | 9.03                                  |
| iv) Stores, Spares & Tools Consumed  | 1963.75                               | 2369.33                               |
| v) Power, Fuel & Water   | 655.21                                | 475.32                                |
| vi) Royalty  | 11.03                                 | 16.10                                 |
| vii) Repair & Maintenance  | 4352.83                               | 4222.59                               |
| viii) Insurance  | 1.17                                  | 1.76                                  |
| ix) Overburden Removal Expenditure   | 11275.24                              | 9711.09                               |
| x) Depreciation  | 446.57                                | 304.95                                |
| xi) Other Expenses   | 922.99                                | 434.71                                |
| <b>TOTAL</b>   | <b>22505.21</b>                       | <b>19898.22</b>                       |
| The above expenditure is in addition to the expenses shown under the respective natural head of accounts indicated and charged in the Statement of Profit and Loss 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.                              |                                       |                                       |
| d) Right to Use  |                                       |                                       |
| Rent for Leasehold Land  | 4097.67                               | 3810.40                               |
| <b>Total</b>   | <b>4097.67</b>                        | <b>3810.40</b>                        |
| <b>Total (a+b+c+d)</b>   | <b>49269.28</b>                       | <b>53268.78</b>                       |
| <b>PROVISIONS FOR CAPITAL ADVANCES *</b>   |                                       |                                       |
| OPENING BALANCE  | 0.02                                  | 0.02                                  |
| Additions during the year  | -                                     | -                                     |
| Amount used during the year  | -                                     | -                                     |
| <b>Closing Balance</b>   | <b>0.02</b>                           | <b>0.02</b>                           |



Notes to the Standalone Financial Statements (Contd...)

(₹ in lakh)

| Particulars  | As at                        |                 | As at                        |                 |
|--|------------------------------|-----------------|------------------------------|-----------------|
|  | 31 <sup>st</sup> March, 2020 |                 | 31 <sup>st</sup> March, 2019 |                 |
| <b>Note No. 10 : INVENTORIES</b>   |                              |                 |                              |                 |
| i) Raw Materials   |                              | -               |                              | -               |
| ii) Semi-Finished and In-Process<br>(at lower of cost or net realisable value) | 64456.03                     |                 | 58249.42                     |                 |
| Less: Provision for Semi-Finished and In-Process*                              | 18454.83                     | 46001.20        | 123.03                       | 58126.39        |
| iii) Finished Goods (at lower of cost or net realisable value)                 |                              | 83.00           |                              | 1176.03         |
| iv) Stores and spares  | 7646.10                      |                 | 7371.35                      |                 |
| Stores in transit/ pending inspection  | 603.30                       |                 | 309.03                       |                 |
|  | 8249.40                      |                 | 7680.38                      |                 |
| Less: Provision for Obsolete Stores & Spares**                                 | 2350.88                      | 5898.52         | 2616.03                      | 5064.35         |
| <b>TOTAL</b>   |                              | <b>51982.72</b> |                              | <b>64366.77</b> |
| <b>PROVISION FOR SEMI-FINISHED AND IN-PROCESS*</b>                             |                              |                 |                              |                 |
| OPENING BALANCE  |                              | 123.03          |                              | 123.03          |
| Additions during the year  |                              | 18331.80        |                              | -               |
| Amount used during the year  |                              | -               |                              | -               |
| <b>CLOSING BALANCE</b>   |                              | <b>18454.83</b> |                              | <b>123.03</b>   |
| <b>PROVISION FOR OBSOLETE STORES &amp; SPARES**</b>                            |                              |                 |                              |                 |
| OPENING BALANCE  |                              | 2616.03         |                              | 2534.25         |
| Additions during the year  |                              | 1.40            |                              | 106.81          |
| Amount used during the year  |                              | 266.55          |                              | 25.03           |
| <b>CLOSING BALANCE</b>   |                              | <b>2350.88</b>  |                              | <b>2616.03</b>  |

(Refer Note No. 39 General Notes on Accounts Point No. 23)

**Note No. 11 : CURRENT FINANCIAL ASSETS - INVESTMENTS**

| Investments in Mutual Fund (Maturity within 3 months from date of original investments) | Number of units      | NAV (in ₹)           |             |             |
|---|----------------------|----------------------|-------------|-------------|
| UTI MONEY MARKET - GROWTH   | 51.736<br>(51.736)   | 2267.76<br>(2112.55) | 1.17        | 1.09        |
| SBI ULTRA SHORT TERM DEBT FUND - GROWTH   | 132.117<br>(132.117) | 4479.65<br>(4169.40) | 5.92        | 5.51        |
| CANARA REBECO LIQUID FUND - GROWTH  | 38.993<br>(38.993)   | 2389.98<br>(2258.68) | 0.93        | 0.88        |
| IDBI LIQUID FUND - GROWTH   | 68.469<br>(68.469)   | 2130.97<br>(2002.99) | 1.46        | 1.37        |
| <b>TOTAL</b>  |                      |                      | <b>9.48</b> | <b>8.85</b> |
| <b>AGGREGATE BOOK VALUE - UNQUOTED</b>  |                      |                      | <b>Nil</b>  | <b>Nil</b>  |
| <b>AGGREGATE BOOK VALUE - QUOTED</b>  |                      |                      | <b>7.84</b> | <b>7.84</b> |
| <b>MARKET PRICE OF QUOTED INVESTMENT</b>  |                      |                      | <b>9.48</b> | <b>8.85</b> |



Notes to the Standalone Financial Statements (Contd...)

(₹ in lakh)

| Particulars | As at                        |                              |
|-------------|------------------------------|------------------------------|
|             | 31 <sup>st</sup> March, 2020 | 31 <sup>st</sup> March, 2019 |

**Note No. 12 : CURRENT FINANCIAL ASSETS - TRADE RECEIVABLES**

| <b>DEBTS OUTSTANDING</b>                         |         |                |                 |
|--|---------|----------------|-----------------|
| i) - Secured - Considered good                   | 8289.35 |                | 36154.83        |
| ii) - Unsecured - Considered good                | -       |                | -               |
| iii) - Considered doubtful                       | 886.51  |                | 942.77          |
|  | 9175.86 |                | 37097.60        |
| Less: Allowances for bad & doubtful debts *      | 886.51  | 8289.35        | 942.77          |
| <b>TOTAL</b>                                     |         | <b>8289.35</b> | <b>36154.83</b> |
| <b>ALLOWANCES FOR BAD &amp; DOUBTFUL DEBTS *</b> |         |                |                 |
| OPENING BALANCE                                  |         | 942.77         | 935.89          |
| Additions during the year                        |         | 0.31           | 22.46           |
| Amount used during the year                      |         | 56.57          | 15.58           |
| <b>CLOSING BALANCE</b>                           |         | <b>886.51</b>  | <b>942.77</b>   |

**Explanatory Note: -**

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. 13 : CURRENT FINANCIAL ASSETS - CASH & CASH EQUIVALENTS**

|   |  |                |               |
|---|--|----------------|---------------|
| <b>I. CASH AND CASH EQUIVALENTS</b>                                   |  |                |               |
| i. Cash on hand including imprest                                     |  | 0.25           | 0.25          |
| ii. Balance with Banks  |  |                |               |
| - Current Account   |  | 1134.46        | 658.17        |
| <b>II. OTHER BALANCES WITH BANK</b>                                   |  |                |               |
| Bank deposits upto 3 months maturity from date of original investment |  |                |               |
| - With scheduled banks  |  | -              | -             |
| <b>TOTAL</b>  |  | <b>1134.71</b> | <b>658.42</b> |

**Note No. 14 : CURRENT FINANCIAL ASSETS - BANK BALANCE OTHER THAN CASH & CASH EQUIVALENTS**

|  |  |               |               |
|--|--|---------------|---------------|
| <b>I. Other Balances with Bank</b>   |  |               |               |
| - In Dividend Balance Account  |  | 20.31         | 15.86         |
| <b>II. Bank deposits with more than 3 months and upto 12 months maturity</b> |  |               |               |
| - With scheduled banks   |  | 432.21        | 408.33        |
| <b>TOTAL</b>   |  | <b>452.52</b> | <b>424.19</b> |



Notes to the Standalone Financial Statements (Contd...)

(₹ in lakh)

| Particulars | As at                        |  | As at                        |  |
|-------------|------------------------------|--|------------------------------|--|
|             | 31 <sup>st</sup> March, 2020 |  | 31 <sup>st</sup> March, 2019 |  |

**Note No. 15 : CURRENT FINANCIAL ASSETS - OTHERS**

**A) ADVANCES\***

Employees

- Secured (considered good) 112.55 69.84

- Unsecured (considered doubtful) 2.03 2.03

Less : Provisions for doubtful Advances\* 2.03 2.03

112.55 69.84

**B) INTEREST ACCRUED ON**

i) LC from Customers - 0.78

ii) Investments 10.66 9.16

iii) Deposits 29.64 23.92

iv) Others 0.36 40.66 0.58 34.44

**C) CLAIMS RECOVERABLE**

Claims recoverable from different agencies 2712.61 3308.75

Less: Provision for Doubtful Claims\*\* 179.41 2533.20 133.10 3175.65

**TOTAL (a+b+c) 2686.41 3279.93**

**DETAILS OF PROVISIONS**

**PROVISION FOR DOUBTFUL ADVANCES\***

OPENING BALANCE 2.03 2.03

Additions during the year - -

Amount used during the year - -

**CLOSING BALANCE 2.03 2.03**

**PROVISION FOR DOUBTFUL CLAIMS \*\***

OPENING BALANCE 133.10 133.14

Additions during the year 46.31 -

Amount used during the year - 0.04

**CLOSING BALANCE 179.41 133.10**

**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)

**Note No. 16 : CURRENT TAX ASSETS (Net)**

Income Tax (including advance income tax, TDS & excluding -

current tax liability) Unsecured - Considered good 1845.39 -

**TOTAL 1845.39 -**



Notes to the Standalone Financial Statements (Contd...)

(₹ in lakh)

| Particulars  | As at<br>31 <sup>st</sup> March, 2020 | As at<br>31 <sup>st</sup> March, 2019 |
|--|---------------------------------------|---------------------------------------|
| <b>Note No. 17 : OTHER CURRENT ASSETS</b>          |                                       |                                       |
| a) Advances to contractors / suppliers             |                                       |                                       |
| - Secured (considered good)                        | 239.21                                | 218.29                                |
| - Unsecured (considered good)                      |                                       |                                       |
| – Against Bank Guarantee                           | -                                     | -                                     |
| – Others   | 1127.08                               | 2099.84                               |
| - Unsecured (considered doubtful)                  | 679.54                                | 723.33                                |
|  | 2045.83                               | 3041.46                               |
| b) Other Advances                                  |                                       |                                       |
| - secured (considered good)                        | 50.90                                 | 50.90                                 |
| - Unsecured (considered doubtful)                  | 13.93                                 | 13.93                                 |
|  | 64.83                                 | 64.83                                 |
|  | 2110.66                               | 3106.29                               |
| Less : Provision for Doubtful Loans and Advances * | 693.47                                | 737.26                                |
|  | 1417.19                               | 2369.03                               |
| c) Advance to Subsidiary-CCL                       | 6.50                                  | 6.50                                  |
| d) Advance to JV-KABIL                             | 72.00                                 | -                                     |
| e) <b>DEPOSITS</b>                                 |                                       |                                       |
| Other Deposits                                     | 10136.08                              | 9392.51                               |
| Less : Provision for Doubtful Deposits **          | 75.56                                 | 75.56                                 |
|  | 10060.52                              | 9316.95                               |
| f) <b>OTHER CURRENT ASSETS</b>                     |                                       |                                       |
| Other Current Assets                               | 211.52                                | 277.33                                |
| Less: Provision for Other Current Assets ***       | 3.52                                  | 3.52                                  |
|  | 208.00                                | 273.81                                |
| g) <b>OTHER RECOVERABLES</b>                       |                                       |                                       |
| IGST/CGST & SGST                                   | 25553.61                              | 20001.05                              |
| h) <b>RIGHT TO USE</b>                             |                                       |                                       |
| Rent for Leasehold Land                            | 206.61                                | 141.29                                |
| <b>TOTAL</b>                                       | <b>37524.43</b>                       | <b>32108.63</b>                       |
| <b>DETAILS OF PROVISIONS</b>                       |                                       |                                       |
| <b>PROVISION FOR DOUBTFUL LOANS AND ADVANCES*</b>  |                                       |                                       |
| OPENING BALANCE                                    | 737.26                                | 728.63                                |
| Additions during the year                          | 2.52                                  | 8.63                                  |
| Amount used during the year                        | 46.31                                 | -                                     |
| <b>CLOSING BALANCE</b>                             | <b>693.47</b>                         | <b>737.26</b>                         |
| <b>DETAILS OF PROVISIONS</b>                       |                                       |                                       |
| <b>PROVISIONS FOR DEPOSITS **</b>                  |                                       |                                       |
| OPENING BALANCE                                    | 75.56                                 | 75.56                                 |
| Additions during the year                          | -                                     | -                                     |
| Amount used during the year                        | -                                     | -                                     |
| <b>CLOSING BALANCE</b>                             | <b>75.56</b>                          | <b>75.56</b>                          |
| <b>PROVISION FOR OTHER CURRENT ASSETS ***</b>      |                                       |                                       |
| OPENING BALANCE                                    | 3.52                                  | 3.52                                  |
| Additions during the year                          | -                                     | -                                     |
| Amount used during the year                        | -                                     | -                                     |
| <b>CLOSING BALANCE</b>                             | <b>3.52</b>                           | <b>3.52</b>                           |





| Particulars  | As at                                  |                    | As at                                  |                    |
|--|--|--------------------|--|--------------------|
|  | 31 <sup>st</sup> March, 2020<br>In No. | (₹ in lakh)        | 31 <sup>st</sup> March, 2019<br>In No. | (₹ in lakh)        |
| <b>Note No. 18 : EQUITY SHARE CAPITAL</b>  |  |                    |  |                    |
| <b>a) AUTHORISED SHARE CAPITAL</b>   |  |                    |  |                    |
| - Equity Share Capital   | 1800000000                             | 90000.00           | 1800000000                             | 90000.00           |
| - 7.50% Non-Cum. Redeemable Preference Shares  | 2000000                                | 20000.00           | 2000000                                | 20000.00           |
| <b>b) PAR VALUE PER EQUITY SHARE (in ₹)</b>  |  | 5.00               |  | 5.00               |
| <b>c) PAR VALUE PER PREFERENCE SHARE (in ₹)</b>  |  | 1000.00            |  | 1000.00            |
| <b>d) NO. OF SHARES ISSUED, SUBSCRIBED AND FULLY PAID UP</b>   |  |                    |  |                    |
| - Equity Share Capital   | 925218000                              | 46260.90           | 925218000                              | 46260.90           |
| - 7.50% Non-Cum. Redeemable Preference Shares  | -                                      | -                  | -                                      | -                  |
| <b>TOTAL</b>   |  | <b>46260.90</b>    |  | <b>46260.90</b>    |
| <b>e) RECONCILIATION OF NO. OF SHARES &amp; SHARE CAPITAL OUTSTANDING:</b>   |  |                    |  |                    |
|  | <b>No. of Shares</b>                   | <b>(₹ in lakh)</b> | <b>No. of Shares</b>                   | <b>(₹ in lakh)</b> |
| <b>OUTSTANDING AS ON 01.04.2019</b>  | 925218000                              | 46260.90           | 925218000                              | 46260.90           |
| Add: Share Capital issued/ subscribed during the year  | -                                      | -                  | -                                      | -                  |
| Less: Reduction in Share Capital   | -                                      | -                  | -                                      | -                  |
| <b>OUTSTANDING AS ON 31.03.2020</b>  | <b>925218000</b>                       | <b>46260.90</b>    | <b>925218000</b>                       | <b>46260.90</b>    |
| <b>f) TERMS/RIGHTS ATTACHED TO EQUITY SHARES</b>   |  |                    |  |                    |
| The Company has only one class of Equity Shares having par value of ₹5/- each and is entitled to one vote per share. |  |                    |  |                    |
| <b>g) SHARES IN THE COMPANY HELD BY EACH SHAREHOLDER HOLDING MORE THAN 5 PERCENT OF THE NUMBER OF SHARES</b>         |  |                    |  |                    |
|  | <b>In No.</b>                          | <b>In (%)</b>      | <b>In No.</b>                          | <b>In (%)</b>      |
| - President of India   | 703587852                              | 76.05%             | 703587852                              | 76.05%             |
| - Life Insurance Corporation of India  | 105685666                              | 11.42%             | 112338152                              | 12.14%             |



Notes to the Standalone Financial Statements (Contd...)

(₹ in lakh)

| Particulars  | As at<br>31 <sup>st</sup> March, 2020 | As at<br>31 <sup>st</sup> March, 2019 |
|--|---------------------------------------|---------------------------------------|
| <b>Note No. 19 : OTHER EQUITY</b>  |                                       |                                       |
| <b>a) CAPITAL RESERVE *</b>  |                                       |                                       |
| AS PER LAST BALANCE SHEET  | 21166.24                              | 21166.24                              |
| <b>b) GENERAL RESERVE</b>  |                                       |                                       |
| AS PER LAST BALANCE SHEET  | 8965.97                               | 8965.97                               |
| <b>c) CORPORATE SOCIAL RESPONSIBILITY FUND</b>                                     |                                       |                                       |
| AS PER LAST BALANCE SHEET  | -                                     | 22.78                                 |
| Add: During the year   | -                                     | -                                     |
| Less: Amount reversed during the year  | -                                     | -                                     |
| Less: Amount used during the year  | -                                     | 22.78                                 |
| AS AT BALANCE SHEET DATE   | -                                     | -                                     |
| <b>d) MINE CLOSURE RESERVE</b>   |                                       |                                       |
| AS PER LAST BALANCE SHEET  | 163.00                                | -                                     |
| Add: During the year   | 75.00                                 | 163.00                                |
| Less: Amount reversed during the year  | -                                     | -                                     |
| Less: Amount used during the year  | -                                     | -                                     |
| AS AT BALANCE SHEET DATE   | 238.00                                | 163.00                                |
| <b>e) CURRENCY FLUCTUATION RESERVE **</b>  |                                       |                                       |
| AS AT BALANCE SHEET DATE   | 155.94                                | -                                     |
| Add: Equity Component of Foreign Currency Loan                                     | (2764.59)                             | 155.94                                |
| Less: Amount reversed during the year  | -                                     | -                                     |
| Less: Amount used during the year  | -                                     | -                                     |
| AS AT BALANCE SHEET DATE   | (2608.65)                             | 155.94                                |
| <b>f) RETAINED EARNING ***</b>   | 22004.03                              | 86985.18                              |
| <b>TOTAL</b>   | <b>49765.59</b>                       | <b>117436.33</b>                      |
| Details of Retained Earning ***  |                                       |                                       |
| Profit /(Loss) after tax for the period as per Statement of Profit and Loss        | (56935.41)                            | 14551.05                              |
| Other Comprehensive Income/(Loss) as per Statement of Profit and Loss (net of tax) | (2245.67)                             | (1090.47)                             |
| Total Comprehensive Income /(Loss) for the period                                  | (59181.08)                            | 13460.58                              |
| Balance brought forward  | 86985.18                              | 76313.10                              |
| <b>BALANCE AVAILABLE FOR APPROPRIATION</b>   | <b>27804.11</b>                       | <b>89773.68</b>                       |
| i) Less :Dividend  | 4811.14                               | 2313.05                               |
| ii) Less :Tax on Dividend  | 988.94                                | 475.45                                |
| <b>BALANCE CARRIED FORWARD</b>   | <b>22004.03</b>                       | <b>86985.18</b>                       |

\* Capital Reserve is created from the Grant received from the Government of India during the approval of Financial Restructuring proposal by Ministry of Mines and out of Capital Profits over the years. This Reserve is not created out of Revenue Profits of the Company.

\*\* Currency Fluctuation Reserve is not created out of Revenue Profits of the Company.



Notes to the Standalone Financial Statements (Contd...)

(₹ in lakh)

| Particulars | As at                        |                              |
|-------------|------------------------------|------------------------------|
|             | 31 <sup>st</sup> March, 2020 | 31 <sup>st</sup> March, 2019 |

**Note No. 20 : NON-CURRENT FINANCIAL LIABILITIES - BORROWINGS**

LONG TERM LOANS

• From Banks/ FIs

- Secured

- EXIM Bank (Loan I)

-

5443.02

(First charge over the entire movable Fixed Asset of Gujarat Coppr project, both present out future)

(The title deeds for Freehold and Leasehold Land and Building acquired in respect of Gujarat Copper Project are yet to be executed. Pending the same, the title deeds of land of TCP has been submitted as an alternate security over which no hypothecation has been created.)

- EXIM Bank (Loan II)

22647.53

28215.21

(First pari-passu charge on movable fixed assets, both present and future of the Company, excluding GCP and TCP)

- SBI

18975.00

17407.50

(First pari-passu charge on immovable fixed assets of the Company located at MCP, both present and future, excluding leasehold land/property)

- UBI

9800.00

-

(First pari-passu charge on immovable fixed assets of the Company located at MCP, both present and future, excluding leasehold land/property)

- HDFC

9500.00

-

(First pari-passu charge on immovable fixed assets of the Company located at MCP, both present and future, excluding leasehold land/property)

- AXIS

2695.00

-

(First pari-passu charge on immovable fixed assets of the Company located at MCP, both present and future, excluding leasehold land/property)

- Unsecured

- Axis Bank

-

6000.00

**TOTAL**

**63617.53**

**57065.73**

**Note No. 21 : NON-CURRENT FINANCIAL LIABILITIES - OTHERS**

Others (Compensation received from Govt of Jharkhand for repair of township)

843.53

843.53

**TOTAL**

**843.53**

**843.53**



Notes to the Standalone Financial Statements (Contd...)

(₹ in lakh)

| Particulars                                     | As at<br>31 <sup>st</sup> March, 2020 | As at<br>31 <sup>st</sup> March, 2019 |
|---|---------------------------------------|---------------------------------------|
| <b>Note No. 22 : NON - CURRENT - PROVISIONS</b> |                                       |                                       |
| <b>PROVISION FOR EMPLOYEE BENEFITS</b>          |                                       |                                       |
| <b>i) PROVISION FOR LEAVE ENCASHMENT</b>        |                                       |                                       |
| AS PER LAST BALANCE SHEET                       | 10920.32                              | 11930.19                              |
| Additions during the year                       | -                                     | -                                     |
| Amount used during the year                     | 1887.66                               | 1009.87                               |
| <b>CLOSING BALANCE</b>                          | <b>9032.66</b>                        | <b>10920.32</b>                       |
| <b>ii) PROVISION FOR GRATUITY</b>               |                                       |                                       |
| AS PER LAST BALANCE SHEET                       | (5448.73)                             | (3743.46)                             |
| Additions during the year                       | 2982.00                               | 1094.73                               |
| Amount used/funded during the year              | -                                     | 2800.00                               |
| <b>CLOSING BALANCE</b>                          | <b>(2466.73)</b>                      | <b>(5448.73)</b>                      |
| <b>TOTAL</b>                                    | <b>6565.93</b>                        | <b>5471.59</b>                        |

(Refer Note No. 39 General Notes on Accounts Point No. 20)

**Note No. 23 : CURRENT FINANCIAL LIABILITIES - BORROWINGS**

**SHORT TERM LOANS**

|  |          |          |
|--|----------|----------|
| - Cash Credit- From Banks/ FIs   | 13603.41 | 16503.81 |
| - WCDL- From Banks/ FIs  | 16300.00 | -        |
| - Secured (Secured by hypothecation of Stock-in-Trade,Stores & Spare Parts and Book Debts, both present and future of the Company) |          |          |
| - Working Capital Term Loan (Unsecured)  |          |          |
| - Axis Bank  | 22000.00 | 9702.84  |
| - Kotak Mahindra Bank  | 5000.00  | -        |
| - HDFC Bank  | 10500.00 | 13000.00 |
| - IOB  | 1250.00  | -        |
| - UBI  | 1250.00  | -        |

**LONG TERM LOANS**

|                       |                 |                 |
|-----------------------|-----------------|-----------------|
| • Due in next 1 year  |                 |                 |
| - EXIM Bank (Loan I)  | 5933.16         | 5443.04         |
| - EXIM Bank (Loan II) | 8108.39         | 1795.51         |
| - Axis Bank           | 8105.00         | 3500.00         |
| - HDFC Bank           | 500.00          | -               |
| - UBI Bank            | 200.00          | -               |
| <b>TOTAL</b>          | <b>92749.96</b> | <b>49945.20</b> |



Notes to the Standalone Financial Statements (Contd...)

(₹ in lakh)

| Particulars | As at<br>31 <sup>st</sup> March, 2020 | As at<br>31 <sup>st</sup> March, 2019 |
|-------------|---------------------------------------|---------------------------------------|
|-------------|---------------------------------------|---------------------------------------|

**Note No. 24 : CURRENT FINANCIAL LIABILITIES - TRADE PAYABLE**

|  |                 |                 |
|--|-----------------|-----------------|
| i) Total outstanding dues of micro enterprises and small enterprises                       | 961.60          | 535.45          |
| ii) Total outstanding dues of creditors other than micro enterprises and small enterprises | 22412.82        | 19693.63        |
| <b>Total</b>   | <b>23374.42</b> | <b>20229.08</b> |

**Note No. 25 : CURRENT FINANCIAL LIABILITIES - OTHERS**

|  |                |                |
|--|----------------|----------------|
| i) Interest accrued but not due on borrowings & term loans | 505.95         | 359.97         |
| ii) Unpaid dividend  | 20.31          | 15.86          |
| iii) Deposits/ Retention money                             | 6361.34        | 5885.05        |
| iv) Other liabilities                                      | 1694.61        | 1339.49        |
| <b>Total</b>   | <b>8582.21</b> | <b>7600.37</b> |

**Note No. 26 : OTHER CURRENT LIABILITIES**

|                             |                 |                 |
|-----------------------------|-----------------|-----------------|
| i) Statutory dues payables  | 5763.29         | 4664.42         |
| ii) Advances from Customers | 3105.82         | 1977.75         |
| iii) Other Liabilities      | 8113.74         | 12238.53        |
| <b>Total</b>                | <b>16982.85</b> | <b>18880.70</b> |

**Note No. 27 : CURRENT - PROVISIONS**

**a) PROVISION FOR EMPLOYEE BENEFITS**

**i) PROVISION FOR LEAVE ENCASHMENT**

|                             |                |          |  |                |
|-----------------------------|----------------|----------|--|----------------|
| AS PER LAST BALANCE SHEET   | 1980.85        | 741.60   |  |                |
| Additions during the year   | -              | 1239.25  |  |                |
| Amount used during the year | 386.97         | -        |  |                |
| <b>CLOSING BALANCE</b>      | <b>1593.88</b> | <b>-</b> |  | <b>1980.85</b> |

**ii) PROVISION FOR GRATUITY**

|                             |                  |           |  |                  |
|-----------------------------|------------------|-----------|--|------------------|
| AS PER LAST BALANCE SHEET   | (2860.89)        | (3513.13) |  |                  |
| Additions during the year   | 29.48            | 652.24    |  |                  |
| Amount used during the year | -                | -         |  |                  |
| <b>CLOSING BALANCE</b>      | <b>(2831.41)</b> | <b>-</b>  |  | <b>(2860.89)</b> |

**iii) PROVISION FOR LEAVE TRAVEL CONCESSION (LTC)**

|                             |               |          |  |               |
|-----------------------------|---------------|----------|--|---------------|
| AS PER LAST BALANCE SHEET   | 171.93        | 139.11   |  |               |
| Additions during the year   | 26.10         | 32.82    |  |               |
| Amount used during the year | -             | -        |  |               |
| <b>CLOSING BALANCE</b>      | <b>198.03</b> | <b>-</b> |  | <b>171.93</b> |

**iv) PROVISION FOR PRP/INCENTIVE**

|                             |                |          |  |                |
|-----------------------------|----------------|----------|--|----------------|
| AS PER LAST BALANCE SHEET   | 1727.00        | 882.00   |  |                |
| Additions during the year   | -              | 1145.00  |  |                |
| Amount used during the year | 582.00         | 300.00   |  |                |
| <b>CLOSING BALANCE</b>      | <b>1145.00</b> | <b>-</b> |  | <b>1727.00</b> |



Notes to the Standalone Financial Statements (Contd...)

(₹ in lakh)

| Particulars                           | As at                        |                              | As at                        |
|---------------------------------------|------------------------------|------------------------------|------------------------------|
|                                       | 31 <sup>st</sup> March, 2020 | 31 <sup>st</sup> March, 2019 | 31 <sup>st</sup> March, 2019 |
| <b>v) PROVISION FOR WAGE REVISION</b> |                              |                              |                              |
| AS PER LAST BALANCE SHEET             | 4258.27                      | 5621.17                      |                              |
| Additions during the year             | -                            | -                            |                              |
| Amount used during the year           | 2379.40                      | 1362.90                      |                              |
| <b>CLOSING BALANCE</b>                | <b>1878.87</b>               | <b>4258.27</b>               |                              |
| <b>b) OTHERS</b>                      |                              |                              |                              |
| <b>i) DIVIDEND</b>                    |                              |                              |                              |
| AS PER LAST BALANCE SHEET             | -                            | -                            |                              |
| Additions during the year             | 4811.14                      | 2313.05                      |                              |
| Amount used during the year           | 4811.14                      | 2313.05                      |                              |
| <b>CLOSING BALANCE</b>                | <b>-</b>                     | <b>-</b>                     |                              |
| <b>ii) TAX ON DIVIDEND</b>            |                              |                              |                              |
| AS PER LAST BALANCE SHEET             | -                            | -                            |                              |
| Additions during the year             | 988.94                       | 475.45                       |                              |
| Amount used during the year           | 988.94                       | 475.45                       |                              |
| <b>CLOSING BALANCE</b>                | <b>-</b>                     | <b>-</b>                     |                              |
| <b>iii) PROVISION - OTHERS</b>        |                              |                              |                              |
| AS PER LAST BALANCE SHEET             | 1018.59                      | 1366.75                      |                              |
| Additions during the year             | 329.46                       | 32.31                        |                              |
| Amount used during the year           | 269.79                       | 380.47                       |                              |
| <b>CLOSING BALANCE</b>                | <b>1078.26</b>               | <b>1018.59</b>               |                              |
| <b>TOTAL</b>                          | <b>3062.63</b>               | <b>6295.75</b>               |                              |

(Refer Note No. 39 General Notes on Accounts Point No. 19&20)

**Note No. 28 : CURRENT TAX LIABILITIES (Net)**

|   |          |                |  |
|---|----------|----------------|--|
| Additions during the year                                     | -        | 8644.62        |  |
| Less : Refund pertaining to earlier years                     | -        | 310.58         |  |
| Less : Advance Income Tax & TDS                               | -        | 6750.08        |  |
| <b>Current Tax Liabilities (Net of Advance Tax &amp; TDS)</b> | <b>-</b> | <b>1583.96</b> |  |





Notes to the Standalone Financial Statements (Contd...)

(₹ in lakh)

| Particulars | For the year ended<br>31 <sup>st</sup> March, 2020 | For the year ended<br>31 <sup>st</sup> March, 2019 |
|-------------|--|--|
|-------------|--|--|

**Note No. 29 : REVENUE FROM OPERATIONS**

**SALE OF PRODUCTS**

|            |                 |                  |
|------------|-----------------|------------------|
| - Domestic | 34187.32        | 91076.52         |
| - Export   | 46129.33        | 84267.33         |
|            | <u>80316.65</u> | <u>175343.85</u> |

Less : Discount & Rebate

**SALES (Net of Discounts) (A)** **80316.65** **175329.30**

**SALE OF SERVICES (B)** **310.79** **455.70**

**OTHER OPERATING INCOME (C)**

|  |        |        |
|--|--------|--------|
| - Sale of Scrap  | 329.54 | 987.36 |
| - Interest from Customers  | 116.11 | 246.35 |
| - Interest from Contractors against mobilization<br>advances for mining operations | 252.49 | 262.80 |

- Penalty & Liquidated Damages 1920.36 1752.00

Less : Refunded during the year 60.69 1859.67 203.57 1548.43

- Excess Electricity Charges earlier paid adjusted by  
MPSEB against current Electricity bills - 2795.78

**TOTAL (C)** 2557.81 5840.72

**TOTAL (A+B+C)** 83185.25 181625.72

**Note No. 30 : OTHER INCOME**

|                               |        |        |
|-------------------------------|--------|--------|
| - Claims Received             | 8.80   | 10.44  |
| - Interest from Term Deposits | 29.63  | 96.62  |
| - Interest - Others           | 992.27 | 237.87 |

- Profit on sale of Assets - 48.24

- Profit on Fair Value of Investment 0.63 0.67

- Others 2384.06 2176.74

- Provisions not required written back # 2280.83 1095.29

**TOTAL** 5696.22 3665.87

**Details of Provisions not required written back # (Refer  
Note No.39 General Notes on Accounts Point No.11)**

Bad and doubtful Debts, advances/deposits & claims 56.57 16.56

Excess provisions on account of shortage, non-moving, obsolete  
& insurance Stores & Spares and finished goods (net) 266.54 26.93

Provision for Discarded Assets no longer required - 1.16

Prov Written back for feasibility study of  
Concentrator plant at MCP 827.46 -

Provision for CSR no longer required Written Back - 30.59

Provision for Interest on MSME 264.01 169.94

Provision for MP Rural Infrastructure & Road Development - 370.78

Tax & Water Charges

Excess Provision created for Transportation of Copper 179.56 -

Concentrate from KCC to load port

Old Liability Written Back for S. Creditors, SD & EMD more  
than 5 years and Others 686.69 479.33

**TOTAL** 2280.83 1095.29



Notes to the Standalone Financial Statements (Contd...)

(₹ in lakh)

| Particulars | For the year ended<br>31 <sup>st</sup> March, 2020 | For the year ended<br>31 <sup>st</sup> March, 2019 |
|-------------|--|--|
|-------------|--|--|

**Note No. 31 : COST OF MATERIALS CONSUMED**

|   |               |                |
|---|---------------|----------------|
| Raw Materials Consumed                      | 483.29        | 6269.57        |
| Value of Ore Raised During Mine Development | 144.95        | 223.84         |
| <b>TOTAL</b>                                | <b>628.24</b> | <b>6493.41</b> |

**Note No 32 : CHANGES IN INVENTORIES OF FINISHED GOODS, SEMI-FINISHED AND WORK- IN-PROCESS**

**A. OPENING STOCK:**

|                              |                 |                 |
|------------------------------|-----------------|-----------------|
| Finished Goods               | 1176.03         | 257.24          |
| Semi-Finished and In-Process | 58249.42        | 73504.95        |
| <b>TOTAL OPENING STOCK</b>   | <b>59425.45</b> | <b>73762.19</b> |

**B. CLOSING STOCK:**

|                                   |                  |                 |
|-----------------------------------|------------------|-----------------|
| Finished Goods                    | 83.00            | 1176.03         |
| Semi-Finished and In-Process      | 64456.03         | 58249.42        |
| <b>TOTAL CLOSING STOCK</b>        | <b>64539.03</b>  | <b>59425.45</b> |
| <b>(INCREASE)/ DECREASE (A-B)</b> | <b>(5113.58)</b> | <b>14336.74</b> |

**Note No. 33 : EMPLOYEES BENEFIT EXPENSE**

|   |                 |                 |
|---|-----------------|-----------------|
| Salaries, Wages & Allowances            | 21806.24        | 23320.29        |
| Bonus/Ex-gratia/Performance Related Pay | 104.00          | 1426.21         |
| Contribution to Provident & Other Funds | 2186.55         | 2263.98         |
| Workmen & Staff Welfare Expenses        | 1568.32         | 1696.74         |
| Gratuity & Leave Encashment             | 297.20          | 2944.26         |
| <b>TOTAL</b>                            | <b>25962.31</b> | <b>31651.48</b> |

Explanatory Note: -

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

|  |               |               |
|--|---------------|---------------|
| (i) Salaries & Allowances                    | 153.84        | 186.11        |
| (ii) Contribution to Provident & Other Funds | 13.18         | 13.99         |
| (iii) Re-imbursment of Medical Expenses      | 1.06          | 0.53          |
| (iv) Leave Encashment                        | 32.83         | 13.23         |
| (v) Gratuity paid                            | 20.00         | 10.00         |
| (vi) Other Benefits                          | 29.68         | 26.21         |
| <b>TOTAL</b>                                 | <b>250.59</b> | <b>250.07</b> |

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

**Note No. 34 : FINANCE COST**

|                                 |                |                |
|---------------------------------|----------------|----------------|
| - Interest on Cash Credit       | 2001.93        | 1339.00        |
| - Others (including Term Loans) | 4039.96        | 4207.10        |
| <b>TOTAL</b>                    | <b>6041.89</b> | <b>5546.10</b> |



(₹ in lakh)

| Particulars | For the year ended<br>31 <sup>st</sup> March, 2020 | For the year ended<br>31 <sup>st</sup> March, 2019 |
|-------------|--|--|
|-------------|--|--|

**Note No. 35 : DEPRECIATION AND AMORTISATION EXPENSE****A. DEPRECIATION**

|  |                |                |
|--|----------------|----------------|
| Depreciation for the year                                      | 4035.92        | 3966.60        |
| Less: Depreciation transferred to Mine Development Expenditure | 446.57         | 304.95         |
| <b>SUB TOTAL (A)</b>   | <b>3589.35</b> | <b>3661.65</b> |

**B. AMORTISATION**

|                                |                 |                 |
|--------------------------------|-----------------|-----------------|
| Amortisation during the year * | 25271.73        | 21627.10        |
| <b>SUB TOTAL (B)</b>           | <b>25271.73</b> | <b>21627.10</b> |
| <b>TOTAL (A+B)</b>             | <b>28861.08</b> | <b>25288.75</b> |

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

**Note No. 36 : OTHER EXPENSES****A. OTHER MANUFACTURING EXPENSES**

|                                      |                 |                 |
|--------------------------------------|-----------------|-----------------|
| - Stores, Spares & Tools Consumed    | 10618.82        | 11706.53        |
| - Consumption of Power, Fuel & Water | 17757.59        | 22186.57        |
| - Royalty, Cess & Decretal amount    | 7717.04         | 9803.47         |
| - Contractual Job for Process        | 16744.17        | 13905.88        |
| - Handling & Transportation          | 2975.64         | 6811.67         |
| - Expenses for Leasehold Land        | 206.61          | 141.29          |
| <b>SUB TOTAL (A)</b>                 | <b>56019.87</b> | <b>64555.41</b> |

**B. REPAIRS & MAINTENANCE & MAJOR OVERHAUL EXPENSES**

|                      |                |                |
|----------------------|----------------|----------------|
| - Building           | 145.54         | 195.08         |
| - Machinery          | 4003.83        | 4889.34        |
| - Others             | 817.77         | 681.86         |
| <b>SUB TOTAL (B)</b> | <b>4967.14</b> | <b>5766.28</b> |

**C. ADMINISTRATION EXPENSES**

|                                     |         |        |
|-------------------------------------|---------|--------|
| - Insurance                         | 383.85  | 204.77 |
| - Rent                              | 131.67  | 134.42 |
| - Rates and Taxes                   | 1132.38 | 766.15 |
| - Security Expenses                 | 804.49  | 970.41 |
| - Travelling and Conveyance         | 410.12  | 562.57 |
| - Telephone, Telex and Postage      | 129.69  | 143.77 |
| - Advertisement and Publicity       | 246.45  | 174.90 |
| - Printing and Stationery           | 70.15   | 125.70 |
| - Books & Periodicals               | 1.81    | 3.63   |
| - Consultancy Charges - Indigenious | 1006.15 | 751.17 |
| - Loss on Sale of Assets(Net)       | 2.04    | -      |



Notes to the Standalone Financial Statements (Contd...)

(₹ in lakh)

| Particulars                                       | For the year ended<br>31 <sup>st</sup> March, 2020 | For the year ended<br>31 <sup>st</sup> March, 2019 |
|---|--|--|
| - MTM Debit/(Credit) Foreign Exchange             | (20.80)  | 1071.48  |
| - Exchange Rate Variation (Net)                   | -  | 0.17   |
| - Corporate Social Responsibility Expenses        | 331.01   | 185.38   |
| - Hire Charges                                    | 299.63   | 387.75   |
| - Audit Expenses (Refer detail below at SI 1)     | 41.96  | 30.13  |
| - Independent Directors Expenses                  | 12.75  | 10.35  |
| - Bank Charges                                    | 176.93   | 155.01   |
| - Other General Expenses                          | 1241.08  | 1041.33  |
| <b>SUB TOTAL (C)</b>                              | <b>6401.36</b>                                     | <b>6719.09</b>                                     |
| <b>D. PROVISIONS (Refer detail below at SI 2)</b> | <b>18884.59</b>                                    | <b>1899.68</b>                                     |
| <b>TOTAL (A+B+C+D)</b>                            | <b>86272.96</b>                                    | <b>78940.47</b>                                    |

Explanatory Note: -

1) Detail of Audit Expenses are as under: -

|                             |       |              |       |              |
|-----------------------------|-------|--------------|-------|--------------|
| i) Statutory Auditors       |       |              |       |              |
| - Statutory Audit Fees      | 16.20 |              | 11.00 |              |
| - Tax Audit Fees            | 5.16  |              | 0.89  |              |
| - In Other Capacity         | 14.95 |              | 8.65  |              |
| - Reimbursement of Expenses | 2.29  | 38.60        | 5.81  | 26.35        |
| ii) Cost Auditors           |       |              |       |              |
| - Cost Audit Fees           | 0.70  |              | 0.61  |              |
| - Reimbursement of Expenses | 0.47  | 1.17         | 0.86  | 1.47         |
| iii) Internal Auditors      |       |              |       |              |
| - Audit Fees                | 0.65  |              | 0.65  |              |
| - Reimbursement of expenses | 1.54  | 2.19         | 1.66  | 2.31         |
| <b>TOTAL</b>                |       | <b>41.96</b> |       | <b>30.13</b> |

2) Detail of Provisions are as under: -

|  |          |                 |        |                |
|--|----------|-----------------|--------|----------------|
| Doubtful debts                             | 0.31     |                 | -      |                |
| Doubtful advances / deposits               | 2.52     |                 | 9.82   |                |
| Provisions for Obsolete /Non-moving Stores | 1.05     |                 | 108.71 |                |
| Provisions for WIP & Finished Goods        | 18331.80 |                 | -      |                |
| Provisions for Capital Work In Progress    | 131.88   |                 | 695.58 |                |
| Provisions for Loss of Assets              | -        |                 | 631.54 |                |
| Interest on MSMED                          | 323.68   |                 | 291.03 |                |
| Provision for Mine Closure Expenditure     | 75.00    |                 | 163.00 |                |
| Provision for Loss of Subsidiary           | 18.35    |                 | -      |                |
| <b>TOTAL</b>                               |          | <b>18884.59</b> |        | <b>1899.68</b> |



Notes to the Standalone Financial Statements (Contd...)

(₹ in lakh)

| Particulars | For the year ended<br>31 <sup>st</sup> March, 2020 | For the year ended<br>31 <sup>st</sup> March, 2019 |
|-------------|--|--|
|-------------|--|--|

**Note No. 37 : TAX EXPENSE**

**CURRENT TAX**

|                                      |                |                |
|--------------------------------------|----------------|----------------|
| Income Tax Provision                 | -              | 8656.75        |
| Income Tax relating to earlier years | 842.18         | 472.18         |
| Deferred Tax Account                 | 2295.83        | (667.91)       |
| <b>TOTAL</b>                         | <b>3138.01</b> | <b>8461.02</b> |

**Note No. 38 : OTHER COMPREHENSIVE INCOME/(LOSS)**

A(i) Items that will not be reclassified to Profit/(Loss)

Actuarial gain/loss recognised in the year for employees :

|                     |                  |                  |
|---------------------|------------------|------------------|
| Gratuity            | (3000.95)        | (1676.21)        |
| <b>TOTAL (A(i))</b> | <b>(3000.95)</b> | <b>(1676.21)</b> |

A(ii) Income Tax relating to items that will not be reclassified to Profit/(Loss)

|  |        |        |
|--|--------|--------|
|  | 755.28 | 585.74 |
|--|--------|--------|

|                      |               |               |
|----------------------|---------------|---------------|
| <b>TOTAL (A(ii))</b> | <b>755.28</b> | <b>585.74</b> |
|----------------------|---------------|---------------|

B(i) Items that will be reclassified to Profit/ (Loss)

|                     |   |   |
|---------------------|---|---|
| <b>TOTAL (B(i))</b> | - | - |
|---------------------|---|---|

B(ii) Income Tax relating to items that will be reclassified to Profit/(Loss)

|                      |   |   |
|----------------------|---|---|
| <b>TOTAL (B(ii))</b> | - | - |
|----------------------|---|---|

**NOTES FORMING PART OF ACCOUNTS****Note No. 39 : GENERAL NOTES ON ACCOUNTS****1. CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)****(i) Contingent Liabilities:-**

|   | <b>2019-20</b>     | <b>2018-19</b>     |
|---|--------------------|--------------------|
|   | <b>(₹ in lakh)</b> | <b>(₹ in lakh)</b> |
| a. Claims against the company not acknowledged as debt :      |                    |                    |
| i. Disputed VAT / CST / Entry Tax                             | 3516.76            | 3347.51            |
| ii. Disputed Excise Duty                                      | 2947.97            | 5747.41            |
| iii. Disputed Income Tax / Provident Fund                     | 23113.43           | 11101.54           |
| iv. Other Demand  | 39110.70           | 34578.47           |
| <b>SUB-TOTAL (A)</b>  | <b>68688.86</b>    | <b>54774.93</b>    |
| b. Other money for which the company is contingently liable : |                    |                    |
| i. Bank Guarantee   | 2767.54            | 2585.42            |
| ii. Letter of Credit  | 53.26              | 1894.47            |
| iii. Bill discounting   | -                  | 6636.44            |
| <b>SUB-TOTAL (B)</b>  | <b>2820.80</b>     | <b>11116.33</b>    |
| <b>GRAND TOTAL (A+B)</b>                                      | <b>71509.66</b>    | <b>65891.26</b>    |

**(ii) Commitments:-**

|   |          |          |
|---|----------|----------|
| Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advance and deposit) | 73913.51 | 86661.55 |
|---|----------|----------|

**Details of Claims against the Company not acknowledged as debt (of 1(i)(a) above)****VAT/CST/ENTRY TAX**

There are demand notices totaling to Gross Demand of ₹3516.76 lakh (Previous Year ₹3347.51 lakh) from various State Revenue Authorities regarding VAT/CST/Entry Tax against which the company has deposited under protest ₹620.44 lakh (Previous Year ₹610.33 lakh). The company is contesting the demand and the management as well as the legal advisors/consultants are of the opinion that its contention will likely to be upheld by the Appellate Authorities. The company also believes that ultimate outcome of these proceedings will not have a material adverse impact on the financial position of the company.

**EXCISE DUTY**

There are demand notices totaling to Gross Demand of ₹2947.97 lakh (Previous Year ₹5747.41 lakh) from Central Excise Authorities regarding Excise Duty against which the company has deposited under protest ₹68.37 lakh (Previous Year ₹30.34 lakh). The company is contesting the demand and the management as well as the legal advisors/consultants are of the opinion that its contention will likely to be upheld by the Appellate Authorities. The company also believes that ultimate outcome of these proceedings will not have a material adverse impact on the financial position of the company.

**INCOME TAX/PROVIDENT FUND**

There are Income Tax demand notices totaling to Gross Demand of ₹23113.43 lakh (Previous Year ₹11101.54 lakh). The management as well as the income tax consultant are of the opinion that its contention will likely to be upheld by the Appellate Authorities/High Court. The company also believes that ultimate outcome of these proceedings will not have a material adverse impact on the financial position of the company.

**OTHER DEMAND of ₹38685.29 lakh (Previous Year ₹34578.47 lakh)****The major pending litigation cases are as follows:**

- The Municipal Council, Malanjkhanda, raised a demand on Malanjkhanda Copper Project (MCP) amounting to ₹7046.64 lakh on account of penalty on Terminal Tax for the periods from financial year 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 lakh towards penalty Terminal Tax as per the order of Hon'ble High Court, Jabalpur, M.P. Subsequently the matter was turned down by the Hon'ble High Court, Jabalpur, M.P. The Company filed writ petition before the Hon'ble Supreme Court of India. The Hon'ble Supreme Court vide its order dated 29.07.2011 directed the Company to deposit an ad-hoc amount of ₹1000.00 lakh 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 lakh for the periods from 2006-07 to 2011-12 was also raised on the above ground for which the appeal by the company is pending before the Hon'ble Supreme Court. Pending final decision, the full amount of ₹25914.20 lakh has been disclosed under 'Contingent Liability'.

- b. The Deputy Registrar, Khetri, Rajasthan issued demands on KCC for ₹4819.27 lakh on account of re-assessment of land tax for Khetri, Kolihan & Chandmari mines for several years. The company has already paid ₹2211.61 lakh against the same. The matter is contested by the company before the Assessing Authority. Pending final decision, the full amount of ₹4819.27 lakh has been disclosed under 'Contingent Liability'.
- c. The Municipal Council, Malanjkhanda, Madhya Pradesh issued demands on MCP for ₹558.24 lakh on account of Property Tax for several years against which the company filed writ petitions before the Hon'ble Madhya Pradesh High Court, Jabalpur challenging the demand notice. The amount of ₹558.24 lakh 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 lakh with a corresponding counter claim of ₹534.62 lakh by the company. The arbitral award went against the company. The company had filed an appeal before the Hon'ble High Court of Rajasthan and the same was admitted for hearing. The Company preferred appeal before the Hon'ble Rajasthan High Court regarding interim deposit of arbitral award pending disposal of original appeal, but the same was dismissed. Thereafter the Company had preferred appeal before Hon'ble Supreme Court and the Hon'ble Supreme Court passed the order directing the Company to deposit the entire decretal amount along with interest amounting to ₹1733.50 lakh in the form of Fixed Deposit. The Company deposited the said amount and shown the same as Deposit in Current assets. Pending decision of the original appeal against arbitral award before the Hon'ble Rajasthan High Court, the said amount of ₹1733.50 lakh has been disclosed under 'Contingent Liability'.
- e. There was a demand from M/S Uttkal Moulders amounting to ₹1662.72 lakh regarding interest for delayed payment against supply of grinding media balls at Malanjkhanda Copper Project. The case is pending before the Sole Arbitrator. Pending final decision, the said amount of ₹1662.72 lakh has been disclosed under 'Contingent Liability'.
- f. In addition there are number of pending litigation cases against the company claiming demand of ₹3997.36 lakh by retired employees, third parties etc. which the company is contesting before different Legal Forums / Courts.

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

2. During the year, the company has incurred loss and hence not provided any liability towards Performance Related Pay payable to the executives (Previous Year ₹1145.00 lakh) as per terms of DPE guidelines.
3. 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 Prepaid Expenses shown under Note No. 9(d) & 16(g).
4. The lease agreements of Kendadih and Rakha Mining Lease at ICC has been renewed and executed by the Govt of Jharkhand in respect of leasehold lands valid upto 02.06.2023 and 28.08.2021 respectively. In respect of Surda Mining Lease, the lease agreement has expired on 31.03.2020 and the company has applied for extension of the lease agreement which is under active consideration of the Govt of Jharkhand.



## Notes to the Standalone Financial Statements (Contd...)

5. The commercial operation of Smelter, Refinery and Sulphuric Acid Plant at Khetri Copper Complex (KCC) were suspended since December 2008. The Company suffered loss on account of impairment of the said plants valued by an independent consultant in earlier years and consequently a total sum of ₹464.01 lakh was provided in the accounts for impairment loss in compliance with the guidelines of IND AS 36 on "Impairment of Assets" as on 31.03.2020. Total inventory valued ₹33.21 lakh (Previous Year ₹33.21 lakh) 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 and having realizable value at least equal to the amount at which they are stated.
6. The title deeds for Freehold and Leasehold Land and Building acquired in respect of Gujarat Copper Project (GCP) with book value of ₹5578.11 lakh are yet to be executed (Previous year ₹5859.97 lakh).
7. At ICC, Pollution Control Plant under Package I & III amounting to ₹2100.50 lakh 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. Confirmation letters of majority of balances under the heads Sundry Creditors, Claims Recoverable, Loans & Advances, Sundry Debtors and Deposits from and with various parties/ Government Departments have been sent but in number of cases such confirmation letters from the parties are yet to be received.
9. During the year, the company has spent a sum of ₹331.01 lakh on account of Corporate Social Responsibility (CSR) expenses.

Amount spent during the year on:

| Sl. No. | Particulars in cash                   | In cash      | Yet to be paid | Total        |
|---------|---------------------------------------|--------------|----------------|--------------|
| (i)     | Construction/acquisition of any asset | -            | -              | -            |
| (ii)    | On purposes other than (i)above       | ₹331.01 lakh | -              | ₹331.01 lakh |

### 10. 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 financial year   | ₹961.60 lakh |
|    | ii) Interest due on above   | ₹248.49 lakh |
| 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   | -            |
| 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   | ₹730.36 lakh |
| d) | Amount of interest accrued and remaining unpaid at the end of the financial year  | ₹978.85 lakh |
| 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.



Notes to the Standalone Financial Statements (Contd...)

11. During the year the Company has written back old liabilities / provisions amounting to ₹2280.83 lakh (Previous Year ₹1095.29 lakh) in the accounts, the details of which are as under :-

| Sl. No. | PARTICULARS   | ₹ in lakh      | REASONS FOR REVERSAL   |
|---------|---|----------------|--|
| 1.      | Excess provision on account of shortage, non-moving & obsolete Stores & Spares written back in respect of MCP – ₹0.15 lakh, GCP – ₹66.57 lakh & KCC – ₹199.82 lakh    | 266.54         | Consequent to physical verification conducted and on reconciliation with book records during the year, the excess provision at the end of the year has been written back to revenue.             |
| 2.      | Excess provision for doubtful debts no longer required is written back in TCP – ₹41.24 lakh & KCC – ₹15.33 lakh   | 56.57          | The relevant amount of debts were recovered from the customers/parties and hence the provision for doubtful debts created in earlier years has been written back.                                |
| 3.      | Excess provision created for transportation of copper concentrate from KCC to the load port   | 179.56         | The excess provision created for transportation of copper concentrate has been written back  |
| 4.      | Write back of provision against feasibility study of Concentrator Plant at MCP  | 827.46         | The provision against Capital Work in Progress has been written back to Revenue and equivalent amount has also been charged to Revenue resulting NIL impact in the profitability of the company. |
| 5.      | Excess provision for interest on MSME is written back in TCP – ₹0.38 lakh & MCP – ₹263.63 lakh  | 264.01         | Excess provision for interest on MSME created in earlier years has been written back.  |
| 7.      | Liability for unclaimed EMD, SD & Sundry Creditors for more than 5 years written back at ICC – ₹42.81 lakh, KCC – ₹78.15 lakh, MCP – ₹563.80 lakh & RSOW – ₹1.93 lakh | 686.69         | The unclaimed liability for EMD, SD & Sundry Creditors unmoved for more than 5 years has been written back   |
|         | <b>TOTAL</b>  | <b>2280.83</b> |  |

12. Management has not become aware of any instance of fraud by the company or any fraud on the company by its officers and employees during the current financial year.
13. 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 IND AS 105 on “Non-current Assets Held for Sale and Discontinued Operations” the following information for the year are furnished:

(₹ in lakh)  
(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 | 490.05<br>(503.89) | -<br>(-)         | -<br>(-)       | No separate records are maintained |
| iii) Liabilities to be settled                    |                                | 137.17<br>(137.17) | 73.04<br>(73.04) | 3.38<br>(3.38) |                                    |
| iv) Amount of income                              | -<br>(-)                       | -<br>(-)           | -<br>(-)         | -<br>(-)       |                                    |
| v) Amount of expenses                             | -<br>(-)                       | 34.70*<br>(34.70)  | -<br>(-)         | -              |                                    |
| vi) Gain on sale of assets (Included in iv above) | -<br>(-)                       | -<br>(-)           | -<br>(-)         | -<br>(-)       |                                    |

\* This is included in cash generated from operations in the Cash Flow Statement.



## Notes to the Standalone Financial Statements (Contd...)

14. Since the company is primarily engaged in the business of manufacture and sale of copper products, the same is considered to be the only primary reportable business segment and accordingly has been reported. As the Company operates predominantly within the geographical limits of India, no secondary segment reporting has been considered as per IND AS 108 "Operating Segments".

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

|                          | 2019-20   |                 | 2018-19   |                 |
|--------------------------|-----------|-----------------|-----------|-----------------|
|                          | Qty (MT)  | ₹ in lakh       | Qty (MT)  | ₹ in lakh       |
| Anode Slime              | 25.040    | 1995.90         | 19.800    | 2004.64         |
| Copper Reverts           | 265.347   | 815.91          | 670.934   | 2027.10         |
| Copper Concentrate (CMT) | 10647.339 | 43317.52        | 19571.433 | 80235.59        |
| <b>Total</b>             |           | <b>46129.33</b> |           | <b>84267.33</b> |

### 16. In terms of IND AS 24 on "Related Party Disclosures":

The company does not have any Advances provided to its Subsidiary and Joint Venture Company as at the year-end except as is disclosed below:

#### Transactions with Related Party during the year and balance outstanding as on 31.03.2020

₹ in lakh

| Name of Related Party             | Nature of Relationship | Type of Transaction        | Year ended |          |
|-----------------------------------|------------------------|----------------------------|------------|----------|
|                                   |                        |                            | 31.03.20   | 31.03.19 |
| Chhattisgarh Copper Limited (CCL) | Subsidiary             | Investment in shares as on | 18.50      | 18.50    |
|                                   |                        | Advances given as on       | 6.50       | 6.50     |

| Name of Related Party               | Nature of Relationship | Type of Transaction        | Year ended |          |
|-------------------------------------|------------------------|----------------------------|------------|----------|
|                                     |                        |                            | 31.03.20   | 31.03.19 |
| Khanij Bidesh India Limited (KABIL) | Joint Venture          | Investment in shares as on | 3.00       | -        |
|                                     |                        | Advances given as on       | 72.00      | -        |

#### The remuneration of Key Management Personnel are given below:

| Particulars                     | Key Management Personnel                                   | Total Remuneration           |                                  |
|---------------------------------|--|------------------------------|----------------------------------|
|                                 |  | Year ended 2019-20           | Year ended 2018-19               |
| Receiving of Services           | 1. Sri Arun Kumar Shukla<br>Chairman-cum-Managing Director | 12.37<br>(w.e.f. 01.01.2020) | -                                |
|                                 | 2. Sri Santosh Sharma<br>Chairman-cum-Managing Director    | 44.31<br>(upto 31.12.2019)   | 66.45                            |
|                                 | 3. Sri K D Diwan<br>Chairman-cum-Managing Director         | 1.55<br>(Arrear PRP)         | 21.11<br>(Arrear Gratuity & PRP) |
|                                 | 4. Sri Anupam Anand<br>Director (Personnel)                | 10.55<br>(upto 04.08.2019)   | 59.01                            |
|                                 | 5. Sri S K Bhattacharya<br>Director (Mining)               | 93.70<br>(upto 31.12.2019)   | 49.03                            |
|                                 | 6. Sri S K Bandyopadhyay<br>Director (Finance)             | 52.41                        | 32.55                            |
|                                 | 7. Sri Arun Kumar Shukla<br>Director (Operations)          | 35.70<br>(upto 31.12.2019)   | 21.92                            |
| OTHER THAN FUNCTIONAL DIRECTORS |  |                              |                                  |
|                                 | 8. Sri C S Singhi<br>Company Secretary                     | 51.28                        | 43.80                            |



**INDEPENDENT DIRECTORS**

Smt Simantini Jena – Date of appointment – 17.11.2015 & Re-appointed on 17.11.2018 to 16.11.2019

Sri Hemant Mehtani - Date of appointment – 17.11.2015 & Re-appointed on 17.11.2018 to 16.11.2019

Sri D R S Chaudhary - Date of appointment – 01.12.2015 & Re-appointed on 01.12.2018 to 30.11.2019

Sri Subhash Sharma – Date of appointment – 18.02.2018

Sri Pawan Kumar Dhawan – Date of appointment – 22.07.2019

Sri Balwinder Singh Canth – Date of appointment – 22.07.2019

Sri Kalyansundaram – Date of appointment – 22.07.2019

| Sl. No. | Payment to Independent Directors | Year ended 31.03.2020 | Year ended 31.03.2019 |
|---------|----------------------------------|-----------------------|-----------------------|
| 1.      | Sitting Fees                     | 12.75                 | 10.35                 |

**Balance Outstanding with Key Managerial Personnel as on 31.03.2020**

| Sl. No. | Particulars       | As on 31.03.2020 | As on 31.03.2019 |
|---------|-------------------|------------------|------------------|
| 1.      | Amount payable    | Nil              | Nil              |
| 2.      | Amount receivable | Nil              | Nil              |

**17. In terms of IND AS 33 on “Earning per Share” :**

(₹ in lakh)

|   | BASIC                      | DILUTED                    |
|---|----------------------------|----------------------------|
| Profit / (Loss) After Tax   | (-) 56935.41<br>(14551.05) | (-) 56935.41<br>(14551.05) |
| Denominator used: Weighted average number of Equity Shares of ₹5/- (Previous year ₹5/- each) outstanding during the period. | 925218000<br>(925218000)   | 925218000<br>(925218000)   |
| Earning Per Share (₹)   | (-) 6.154<br>(1.573)       | (-) 6.154<br>(1.573)       |

18. The Company has accounted for Deferred Tax in accordance with the guidelines of IND AS 12 on “Income Taxes” issued by The Institute of Chartered Accountants of India. The Deferred tax balances are set out below:-

**DEFERRED TAX ASSET (NET):-**

(₹ in lakh)

| Particulars   | Deferred Tax Asset/ (Liability) as at 01.04.2019 | Credit/ (Charge) during 2019-20 | Deferred Tax Asset/ (Liability) as at 31.03.2020 |
|---|--|---------------------------------|--|
| <b>Deferred Tax Asset :-</b>  |  |                                 |  |
| Difference between provision made in accounts and claims made as per I. T Act               | 9243.90  | (3379.68)                       | 5864.22  |
|   | 9243.90  | (3379.68)                       | 5864.22  |
| <b>Deferred Tax Liability :-</b>  |  |                                 |  |
| Difference between net book value of depreciable capital assets vis-a-vis WDV as per IT Act | (2998.28)  | 1083.85                         | (1914.43)  |
|   | (2998.28)  | 1083.85                         | (1914.43)  |
| Deferred Tax Asset (Net) – Recognised in Statement of Profit & Loss                         | 6245.62  | (2295.83)                       | 3949.79  |
| Deferred Tax Asset (Net) - Defined Benefit Plan – Recognised in OCI                         | 585.74   | 755.28                          | 1341.02  |
| Total Deferred Tax Asset (Net)  | 6831.36  | (1540.55)                       | 5290.81  |



**19. PROVISIONS FOR CONTINGENCIES: -**

(₹ in lakh)

| Particulars                        | Discarded Fixed Assets | Capital WIP & Advance | Mines Development Expenditure | Others   | TOTAL    |
|------------------------------------|------------------------|-----------------------|-------------------------------|----------|----------|
| Carrying amount as at 01.04.2019   | 1838.56                | 4088.49               | 4664.86                       | 16400.84 | 26992.75 |
| Amount provided during the year    | -                      | -                     | -                             | 27549.44 | 27549.44 |
| Amounts utilized against provision | -                      | 695.58                | -                             | 11675.31 | 12370.89 |
| Carrying amount as at 31.03.2020   | 1838.56                | 3392.91               | 4664.86                       | 32274.97 | 42171.30 |

**20. GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS IN TERMS OF Ind AS 19 :**

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded through Life Insurance Corporation of India, SBI Life Insurance Co. Ltd. and India First Life Insurance and are managed by separate trust. The Company has also funded through Life Insurance Corporation of India and SBI Life Insurance Co. Ltd towards leave encashment. Expenses recognized in Statement of Profit & Loss and Other Comprehensive Income amounting to ₹3450.73 lakh in respect of Gratuity, Leave Encashment and Leave Travel Concession which have been provided for as stated below.

The following tables summarize the components of net benefit expense recognized in the Statement of Profit and Loss, Other Comprehensive Income and Mine Development Expenditure and the funded status and amounts recognized in the balance sheet for the respective plans.

(₹ in lakh)

|  | Gratuity (Funded plan) | Leave Encashment (Partially funded Plan) | Leave Travel Concession (Non-funded Plan) |
|--|------------------------|--|---|
| <b>(i) Changes in Present Value of Obligation</b>          |                        |  |   |
| Present Value of obligation as on last valuation           | 13501.90               | 12901.17                                 | 171.93                                    |
| Current service cost                                       | 813.77                 | 994.66                                   |   |
| Interest cost  | 709.06                 | 752.32                                   |   |
| Total Actuarial gain/loss                                  | 3000.95                | (1190.91)                                | 129.64                                    |
| Benefits Paid  | 5353.13                | 2830.70                                  | 103.54                                    |
| Present value of obligation as on valuation date           | 12672.55               | 10626.54                                 | 198.03                                    |
| <b>(ii) Changes in Fair Value of Plan Assets</b>           |                        |  |   |
| Fair value of Plan Assets at Beginning of period           | 21811.52               | 3334.27                                  |   |
| Interest Income  | 1512.30                | 246.46                                   |   |
| Employer Contributions                                     | -                      | 2830.26                                  |   |
| Benefits paid  | 5353.13                | 2830.70                                  |   |
| Return on Plan Assets excluding Interest Income            | -                      | -  |   |
| Fair value of Plan Assets at End of measurement period     | 17970.69               | 3580.29                                  |   |
| <b>(iii) Table Showing Reconciliation to Balance Sheet</b> |                        |  |   |
| Funded Status  | 5298.14                | (7046.24)                                |   |
| Fund Asset   | 17970.69               | 3580.30                                  |   |
| Fund Liability   | 12672.55               | 10626.54                                 |   |



Notes to the Standalone Financial Statements (Contd...)

(₹ in lakh)

|   | Gratuity<br>(Funded plan) | Leave Encashment<br>(Partially funded<br>Plan) | Leave Travel<br>Concession (Non-<br>funded Plan) |
|---|---------------------------|--|--|
| <b>(iv) Expenses recognized in the Statement of Profit and Loss Account</b> |                           |  |  |
| Current service cost  |                           |  |  |
| Net Interest cost   | 813.77                    |  |  |
| Actuarial (gain)/loss   | (803.24)                  | 994.66   |  |
| Benefit Cost (Expense Recognized in Statement of Profit/loss)               | -                         | 505.86   |  |
|   | 10.53                     | (1190.91)                                      | 129.64   |
|   |                           | 309.61   | 129.64   |
| <b>(v) Other Comprehensive Income</b>                                       |                           |  |  |
| Total Actuarial (gain)/loss   |                           |  |  |
| Return on Plan Asset, Excluding Interest Income                             | 3000.95                   | -  |  |
| Balance at the end of the Period  | -                         | -  |  |
| Net(Income)/Expense for the Period Recognized in OCI                        | 3000.95                   | -  |  |
|   | 3000.95                   | -  |  |
| <b>(vi) Table Showing Plan Assumptions</b>                                  |                           |  |  |
| Discount Rate   |                           |  |  |
| Expected Return on Plan Asset   | 6.55% p.a.                |  |  |
| Rate of Compensation Increase (Salary Inflation) etc                        | 7.50%,7.00%,6.50%         | 6.55% p.a.                                     | 6.55% p.a.                                       |
| Average expected future service (Remaining working Life)                    | 6.00% p.a.                | 7.00%,7.50%                                    | -  |
|   | 10 years                  | 6.00% p.a.                                     | -  |
| Mortality Table   | IALM 2006-2008            | 10 years                                       | 10 years   |
| Superannuation at age-Male  | ULTIMATE                  | IALM 2006-2008                                 | IALM 2006-2008                                   |
| Superannuation at age-Female  | 60 years                  | ULTIMATE                                       | ULTIMATE   |
| Early Retirement & Disablement (All Causes Combined)                        | 60 years                  | 60 years                                       | 60 years   |
|   | 1% p.a.                   | 60 years                                       | 60 years   |
|   |                           | 1% p.a.  | 1% p.a.  |

The details of the plan assets as on 31.03.2020 towards gratuity & leave encashment are as follows:

(₹ in lakh)

|   |                 |
|---|-----------------|
| Investment in Life Insurance Corporation of India | 2778.47         |
| Investment in SBI Life Insurance Co. Ltd          | 18154.63        |
| Investment in India First Life Insurance          | 615.83          |
| Fund with Gratuity Trust Savings Bank Accounts    | 2.06            |
| <b>Total</b>                                      | <b>21550.99</b> |

Actual Return on Plan Assets during the year - ₹1758.76 lakh.

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.



**21. Financial Instrument****1. Derivatives not designated as hedging instruments**

The Company uses Commodity Futures Contracts to manage its commodity price risk. The Commodity Futures Contracts are not designated as hedging instruments and are entered into for periods consistent with commodity price risk exposure of the underlying transactions, generally from one to four months. However in the year FY 19-20, the Company has not entered into any Commodity Futures Contract.

The Company uses foreign exchange forward contracts to manage some of its transaction exposures. The foreign exchange forward contracts are not designated as cash flow hedges and are entered into for periods consistent with foreign currency exposure of the underlying transactions, generally from one to four months.

**Commodity price risk**

The Company purchases copper blister/ anode on an ongoing basis for its operating activities in its Gujarat Copper Project (GCP) plant for the production of cathode. To hedge itself against the volatility in LME copper prices in the international market has led to the decision to enter into commodity future contracts. However in the year FY 19-20, the Company has not purchased any such copper blister/ anode for its plant in GCP.

These contracts, which commenced in August 2016, are expected to reduce the volatility attributable to price fluctuations of copper. Hedging the price volatility of copper purchases is in accordance with the Risk Management Policy approved by the Board of Directors. The hedging relationships are for a period between 1 and 4 months based on existing purchase agreements. The Company designated only the spot-to-spot movement of the entire commodity purchase price as the hedged risk. It has been decided by the company not to follow the hedge accounting for these instruments.

As at 31 March 2020, the fair value of the open position of commodity future contracts is nil.

**2. Financial Instruments by Categories**

The carrying value and fair value of financial instruments by categories were as follows:

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

(Amount in ₹ lakh)

| Particulars  | Total carrying value as at March 31, 2020 | Total carrying value as at March 31, 2019 | Fair Value as at March 31, 2020 | Fair Value as at March 31, 2019 |
|--|---|---|---------------------------------|---------------------------------|
| <b>Financial Assets at FV through Statement of Profit &amp; Loss</b> |   |   |                                 |                                 |
| Mutual Funds   | 7.84                                      | 7.84                                      | 9.48                            | 8.85                            |
| <b>Derivatives not designated as hedges</b>                          |   |   |                                 |                                 |
| Future Contract Receivable on commodity                              | -   | -   | -                               | -                               |
| <b>Total of Financial Assets</b>                                     | 7.84                                      | 7.84                                      | 9.48                            | 8.85                            |
| Financial Liabilities  |   |   |                                 |                                 |
| <b>Derivatives not designated as hedges</b>                          |   |   |                                 |                                 |
| Forward Cover Contract Liability                                     | -   | -   | -                               | -                               |
| <b>Total of Financial Liabilities</b>                                | -   | -   | -                               | -                               |

3. The Management considered the Service fees of ₹15 lakh paid on the Exim Bank Term loan amounting to ₹30000 lakh drawn on 29.05.2018 as immaterial, as the amount of service fee was only 0.019% of the Turnover (FY 2019-20) of the company and hence the same was not considered as a transaction cost in terms of fair valuation at initial recognition under INDAS 109. Further, the Management assessed that for the purpose of IND AS 109, the carrying value of loan is considered as its fair value as no loan could be provided at a rate lower than the rate of interest of Exim Bank loan for similar terms and conditions of the loan at that point of time.

Similarly, the Management considered the total of Upfront fees & Other charges of ₹245.33 lakh paid on the SBI ECB loan amounting to ₹17734.75 lakh drawn during July 2018 to January 2019 as immaterial, as the amount of such fees/charges was only 0.305% of the Turnover (FY 2019-20) of the company and hence the same was not considered as a transaction cost in terms of fair valuation at initial recognition under INDAS 109. Further, the



Management assessed that for the purpose of IND AS 109, the carrying value of loan is considered as its fair value as no loan could be provided at a rate lower than the rate of interest of SBI ECB loan for similar terms and conditions of the loan at that point of time.

The Management assessed that cash and cash equivalents, trade receivables, trade payables, bank overdrafts and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The Company enters into derivative financial instruments with various counterparties, principally with financial institutions having Investment grade credit ratings. Foreign exchange forward contracts and commodity futures contracts are valued using valuation techniques, which employs the use of market observable inputs. The most frequently applied valuation techniques include forward pricing.

#### 4. Fair Value Hierarchy

- Level 1 - Level 1 hierarchy includes financial instruments measured using quoted prices (unadjusted) in active markets.
- Level 2 - Level 2 hierarchy includes financial instruments measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 - Level 3 hierarchy includes financial instruments measured using inputs that are not based on observable market data (unobservable inputs).

The following table presents fair value hierarchy of assets and liabilities measured at fair value

| Particulars   | Date of Valuation | Level 1 | Level 2 | Level 3 | Total |
|---|-------------------|---------|---------|---------|-------|
| <b>Financial Assets at FV through Statement of Profit &amp; Loss</b>          |                   |         |         |         |       |
| <b>Non-derivative financial assets</b>  |                   |         |         |         |       |
| Mutual funds  | 31/Mar/2020       | 9.48    | -       | -       | 9.48  |
| <b>Derivative financial assets</b>  |                   |         |         |         |       |
| Future Contract Receivable on commodity                                       | 31/Mar/2020       | -       | -       | -       | -     |
| <b>"Liabilities measured at fair value: Derivative financial liabilities"</b> |                   |         |         |         |       |
| Forward Cover Contract Liability  | 31/Mar/2020       | -       | -       | -       | -     |
| <b>Assets measured at FV through OCI</b>                                      | 31/Mar/2020       | -       | -       | -       | -     |

| Particulars   | Date of Valuation | Level 1 | Level 2 | Level 3 | Total |
|---|-------------------|---------|---------|---------|-------|
| <b>Financial Assets at FV through Statement of Profit &amp; Loss</b>          |                   |         |         |         |       |
| <b>Non-derivative financial assets</b>  |                   |         |         |         |       |
| Mutual funds  | 31/Mar/2019       | 8.85    | -       | -       | 8.85  |
| <b>Derivative financial assets</b>  |                   |         |         |         |       |
| Future Contract Receivable on commodity                                       | 31/Mar/2019       | -       | -       | -       | -     |
| <b>"Liabilities measured at fair value: Derivative financial liabilities"</b> |                   |         |         |         |       |
| Forward Cover Contract Liability  | 31/Mar/2019       | -       | -       | -       | -     |
| <b>Assets measured at FV through OCI</b>                                      | 31/Mar/2019       | -       | -       | -       | -     |



## 5. Financial Risk Management

### Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

| Risk                          | Exposure arising from   | Measurement                 | Management  |
|-------------------------------|---|-----------------------------|---|
| Market risk- Foreign Exchange | Future commercial transactions, Recognised financial assets and financial liabilities | Sensitivity analysis        | Forward foreign exchange contracts and natural hedge as sales are also denominated in foreign exchange. |
| Market-Commodity Price Risk   | Purchase of Copper  | Price Sensitivity           | Commodity Futures Contract  |
| Credit risk                   | Trade receivables   | Ageing analysis             | Sales are mainly done against Advance or Letters of Credit  |
| Liquidity risk                | Borrowings and other liabilities  | Rolling cash flow forecasts | Cash flow management  |

#### a) Market Risk

##### i) Foreign Currency Risk

The Company operates at international level which exposes the company to foreign currency risk arising from foreign currency transaction primarily from Imports, exports and foreign currency borrowing. Foreign currency risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency other than INR as on reporting date.

(Amount in ₹ lakh as of March 31,2020)

| Particulars                 | ₹ In lakh  |
|-----------------------------|------------|
| Cash & cash equivalents     | -          |
| Trade Receivables           | 7114.00    |
| Trade Payables              | -          |
| Loans                       | (55664.08) |
| Others (if any)             | -          |
| Net Assets/ (-) Liabilities | (48550.08) |

(Amount in ₹ lakh as of March 31,2019)

| Particulars                 | ₹ In lakh  |
|-----------------------------|------------|
| Cash & cash equivalents     | -          |
| Trade Receivables           | 32203.00   |
| Trade Payables              | -          |
| Loans                       | (68007.12) |
| Others (if any)             | -          |
| Net Assets/ (-) Liabilities | (35804.12) |

#### Sensitivity

The sensitivity of profit or loss to changes in exchange rate arises mainly from foreign currency denominated financial instrument.

| Particulars     | Impact on profit before tax |                |
|-----------------|-----------------------------|----------------|
|                 | March 31, 2020              | March 31, 2019 |
| Increase by 5%  | 2,783.20                    | 3,400.36       |
| Decrease by 5 % | (2,783.20)                  | (3,400.36)     |

##### ii) Commodity Price Risk

The company's exposure to Commodity price from copper price fluctuation in international market does not arise as the company hedges all its imports through Future contracts at LME.



**b) Credit Risk**

Credit risk refers to the risk of default on its obligation by the Debtors resulting in a financial loss. The company sells majority of its products either against Advance from Customers or Letters of Credit. Accordingly, credit risk from Trade receivables has not been considered as credit risk.

**Credit risk exposure**

An analysis of age of Trade receivables at each reporting date is summarized as follows:

(Amount in ₹ lakh)

| Particulars  | 31-Mar-2020 | 31-Mar-2019 |
|--|-------------|-------------|
|  | Gross       | Gross       |
| Not past due   | -           | -           |
| Past not more than six months                            | 5712.45     | 29162.70    |
| Past due more than six months but not more than one year | 553.20      | 2247.62     |
| More than one year                                       | 2910.21     | 5687.28     |
| Total  | 9175.86     | 37097.60    |
| Less Allowances for Bad & Doubtful Debts                 | 886.51      | 942.77      |
| Net Debtors  | 8289.35     | 36154.83    |

Customer credit risk is managed by each business unit subject to the Company's established Marketing policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by letters of credit or other forms of credit insurance.

The maximum exposure to credit risk at the reporting date is ₹886.51 lakh for which full provision has been made in the accounts as disclosed in Note No 12.

**Other financial assets**

Credit risk relating to cash and cash equivalents is considered negligible because our counterparties are scheduled banks. We consider the credit quality of Term deposits with such banks as good as these banks are under the regulatory framework of Reserve Bank of India. We review these banking relationships on an ongoing basis.

**c) Liquidity Risk**

Our liquidity needs are monitored on the basis of monthly and yearly projections. The company's principal sources of liquidity are cash and cash equivalents and cash generated from operations.

We manage our liquidity needs by continuously monitoring cash inflows and by striving to maintain adequate cash and cash equivalents. Net cash requirements are compared to available cash in order to determine any shortfall.

Short term liquidity requirements consists mainly of Loans, Sundry creditors, Expense payable, Employee dues arising during the normal course of business as of each reporting date. We strive to maintain a sufficient balance in cash and cash equivalents to meet our short term liquidity requirements.

The table below provides details regarding the contractual maturities of financial liabilities. The table has been drawn up based on the undiscovered cash flows of financial liabilities based on the earliest date on which the company can be required to pay.

(Amount in ₹ lakh as of March 31, 2020)

| Particulars                         | On Demand       | Less than 3 months | 3 months to 1 year | 1-3 years       | 3-5 years       | 5-7 years | Total            |
|-------------------------------------|-----------------|--------------------|--------------------|-----------------|-----------------|-----------|------------------|
| Short term borrowings (cash credit) | 13603.41        | -                  | -                  | -               | -               | -         | 13603.41         |
| Short term borrowings (Others)      | -               | 36800.00           | 19500.00           | -               | -               | -         | 56300.00         |
| Long Term Borrowings                | -               | 2175.00            | 10515.79           | 61548.29        | 12225.00        | -         | 86464.08         |
| <b>Total</b>                        | <b>13603.41</b> | <b>38975.00</b>    | <b>30015.79</b>    | <b>61548.29</b> | <b>12225.00</b> | <b>-</b>  | <b>156367.49</b> |



Notes to the Standalone Financial Statements (Contd...)

(Amount in ₹ lakh as of March 31, 2020)

| Particulars                         | On Demand       | Less than 3 months | 3 months to 1 year | 1-3 years       | 3-5 years        | 5-7 years       | Total            |
|-------------------------------------|-----------------|--------------------|--------------------|-----------------|------------------|-----------------|------------------|
| Short term borrowings (cash credit) | 16503.81        | -                  | -                  | -               | -                | -               | 16503.81         |
| Short term borrowings (Others)      | -               | 22702.84           | -                  | -               | -                | -               | 22702.84         |
| Long Term Borrowings                | -               | 756.51             | 9982.04            | 32467.53        | 23147.58         | 1450.62         | 67804.28         |
| <b>Total</b>                        | <b>16503.81</b> | <b>23459.35</b>    | <b>9982.04</b>     | <b>32467.53</b> | <b>23,147.58</b> | <b>1,450.62</b> | <b>107010.93</b> |

NB: 1. Under RBI Notification No. RBI/2019-20/186 dated 27.03.2020 the scheduling of loan instalments has been given as per approval received from banks under COVID-19- Regulatory Package.

2. Under RBI Notification No. RBI/2019-20/244 dated 23.05.2020, the company has applied for deferral of loan instalments amounting to ₹25350.00 lakh for a period of 3 months. The approvals are in process and hence effect of the same is not considered above. This is as per COVID-19- Regulatory Package.

## 6. Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the Company. The primary objective of the Company's capital management is to maximise the shareholder value.

22. With effect from April, 2019, the company has adopted Ind AS 116. However, since the company has no lease liabilities at present, Ind AS 116 has no financial impact on the accounts of the company during the current financial year.

23. The physical verification of Semi-Finished and In-Process (WIP) and Finished Goods is conducted departmentally in all the units (ICC, KCC, MCP, TCP & GCP) at the end of the current year by a duly approved committee. Although, work orders were issued to independent agencies in all the units for carrying out physical stock verification of WIP and Finished Goods at the end of the financial year, due to PAN INDIA lockdown for COVID 19 pandemic the same could not be completed at KCC & ICC since the work orders are issued to out-station parties through tendering process. However, the same have been completed in TCP, GCP & MCP since work orders are awarded to local firms in the said units.

In respect of stores and spares, physical verification has been conducted by the external agencies, located in and around the project site, in all the units during the year. Shortages/ (Excesses) identified on such physical verification have been duly adjusted in the books of accounts.

24. The physical verification of fixed assets which is required to be conducted every year so that all the units/offices are covered once in a block of three years interval. During the year, physical verification of fixed assets is to be conducted by external agencies in ICC, RCP, MCP & GCP. Although, work orders were issued to independent agencies, the work is not completed due to PAN INDIA lockdown for COVID 19 pandemic in ICC & RCP unit since the work orders are issued to outstation parties. However, the same has been completed at MCP & GCP unit.

## 25. INFORMATION IN RESPECT OF SUBSIDIARY, ASSOCIATE & JOINT VENTURE (FORM AOC 1)

(Pursuant to Section 129(3) of Companies Act 2013 read with Rule 5 of Companies (Accounts) Rules, 2014)

### PART - A - SUBSIDIARY

| Sl. No. | Particulars   | Year ended 31.03.2020             |
|---------|---|-----------------------------------|
| 1       | Name of the subsidiary  | Chhattisgarh Copper Limited (CCL) |
| 2       | Reporting period for the subsidiary concerned, if different from the holding company's reporting period | NA                                |
| 3       | Reporting currency  | INR                               |
| 4       | Equity Share Capital  | ₹25,00,000                        |
| 5       | Other equity  | ₹(28,56,096)                      |
| 6       | Total assets  | ₹5,31,300                         |
| 7       | Total liabilities   | ₹8,87,396                         |
| 8       | Investments   | Nil                               |



| Sl. No. | Particulars                                       | Year ended 31.03.2020 |
|---------|---|-----------------------|
| 9       | Total Income from operations (net)                | Nil                   |
| 10      | Profit/(Loss) from ordinary activities before tax | ₹(3,76,269)           |
| 11      | Tax expense                                       | Nil                   |
| 12      | Profit/(Loss) from ordinary activities after tax  | ₹(3,76,269)           |
| 13      | Proposed Dividend                                 | Nil                   |
| 14      | % of shareholding                                 | 74%                   |

Note :

1. CCL is yet to commence operations.
2. The subsidiary has neither been liquidated nor sold during the year.

**PART – B – ASSOCIATE/ JOINT VENTURE**

| Sl. No. | Particulars  | Year ended 31.03.2020               |
|---------|--|-------------------------------------|
| 1       | Name of the Associate/Joint Venture  | Khanij Bidesh India Limited (KABIL) |
| 2       | Latest audited Balance Sheet Date  | 31.03.2020                          |
| 3       | Date on which the Associate/Joint Venture was associated or acquired       | 01.08.2019                          |
| 4       | Shares of Associate/Joint Venture held by the company on the year end      |                                     |
|         | Nos.   | 30,000                              |
|         | Amount of investment in Associate/Joint Venture                            | ₹3,00,000                           |
|         | Extent of holding (%)  | 30%                                 |
| 5       | Description of how there is significant influence                          | Controlling 30% shareholding        |
| 6       | Reason why the Associate/Joint Venture is not consolidated                 | Not applicable                      |
| 7       | Net Worth attributable to shareholding as per latest audited Balance Sheet | ₹47,35,848                          |
| 8       | Profit/(Loss) for the year   | ₹(92,13,841)                        |
|         | Considered in consolidation  | ₹(27,64,152)                        |
|         | Not considered in consolidation  | ₹(64,49,689)                        |

Note :

1. KABIL is yet to commence operations.
2. The associate/joint venture has neither been liquidated nor sold during the year.

Pursuant to Section 186(4) of the Companies Act, 2013, details of investment made and advance given to subsidiary & joint venture have been shown under Note No. 5 & 17 respectively. However no loan have been given to the subsidiary and joint venture during the year.

**26. The income tax expense for the year can be reconciled to the accounting profit as follows :**

(₹ in lakh)

|   | Year ended<br>31.03.2020 | Year ended<br>31.03.2019 |
|---|--------------------------|--------------------------|
| Profit / (Loss) before Tax  | (53771.43)               | 23034.64                 |
| Income Tax expense calculated at 25.168% (34.944%)                    | -                        | 8049.22                  |
| Effect of Deferred Tax balances due to the change in income tax rates | 1534.21                  | (60.05)                  |
| Income Tax effect of earlier years                                    | 842.18                   | 472.18                   |
| Others (net)  | 761.62                   | (0.33)                   |
| Income Tax expense recognized in profit or loss                       | 3138.01                  | 8461.02                  |





## Notes to the Standalone Financial Statements (Contd...)

The company elected to exercise the option permitted under Section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment Act, 2019). Accordingly the company has recognised Provision for Income Tax for the year ended 31.03.2020 and remeasured its deferred tax assets/(liabilities) basis the rates prescribed in the said section.

27. The value of assets, other than fixed assets and non-current assets, have realizable value at least equal to the amount at which they are stated.
28. Gujarat Copper Project of the Company consists of three units namely, Anode furnace (Smelter), Refinery and Kaldo Furnace having aggregate book value of ₹24536.34 lakh as at March 31,2020. The Anode Furnace and Refinery unit has been commissioned in October 2016 while Kaldo unit is commissioned on 25.05.2020. Since commissioning, the Anode Furnace and Refinery units are being operated at a sub optimal level for want of feed stock. GCP being a secondary smelter, the feed stock are copper scrap, copper blister, liberator cathode etc. The Company has not been able to source these materials in the required quantity resulting in suboptimal operations. Management is exploring various alternative source to make the plant operative.
29. Copper ore tailing (COT) beneficiation plant was set up at MCP unit for extraction of valuable minerals and metals from copper ore tails with a capacity of 10000 tonnes per day (TPD) at an estimated cost of ₹20000 lakh. The intermittent trial run failed on number of occasions (chockage/ spillage, stoppages, cleaning etc) and the quality and quantity of products achieved at various stages are not as per the parameters envisaged in contract agreement. A preliminary notice was issued to the party to complete the project and commission the same. The party agreed to commission the plant, but the progress of the work at site was stopped due to lockdown for COVID-19 pandemic. Under this circumstances, the company thinks it prudent to extend the timeline upto 31.08.2020 for supply, erection of the thickener and commission of the plant.
30. During the year, a Joint Venture Company (JVC) named Khanij Bidesh India Limited (KABIL) was formed on 01.08.2019 among National Aluminium Company (NALCO), Hindustan Copper Limited (HCL) and Mineral Exploration Corporation Limited (MECL) to identify, explore, acquire, develop, process primarily strategic minerals overseas for supply to India for meeting domestic requirements and for sale to any other countries for commercial use. HCL holds 30% equity in JVC. HCL has invested 30,000 equity shares of ₹10.00 each totaling to ₹3.00 lakh. Further, an advance of ₹72.00 lakh is lying in the books of accounts at the year end for allotment of 7,20,000 shares of ₹10.00 each.
31. In MCP unit, there is Mill Scat of 2379816.031 MT (estimated quantity) containing metal content of 4112.322 CMT (estimated quantity) which is generated during the milling process. The Scat quantity had been stored over the years of production and needs to be reprocessed for recovering the active metal with the involvement of secondary crushing and grinding. The expected recovery from Scat having average grade of 0.18% copper would be around 75 to 80%. Further, the scope for beneficiation of the existing Mill Scat metal through processes and treatment is not possible due to non-availability of existing matching concentrator plant. Since the Mill Scat of 2379816.031 MT (estimated quantity) (4112.322 CMT) have low grade of copper percentage and do not have any realisable value at present, the in-house team of MCP considers that it is prudent to make a provision amounting to ₹12010.05 lakh in the books of accounts. Also the in-house team of the unit considers that it is prudent to make a provision for lean ore of 2567.255 CMT (estimated quantity), having grade of 0.29%, amounting to ₹6321.75 lakh since the entire quantity of lean ore cannot be processed for production of concentrate independently without mixing with crusher ore having high grade in order to achieve the average cut-off grade. Based on all the above aspects, full provision for Mill Scat and Lean Ore amounting to ₹18331.80 lakh (₹12010.05 lakh + ₹6321.75 lakh) has been made in the current year.

KCC unit have also reconciled the closing stock of Work in Progress & Finished Goods and identified the differences in respect of copper content as 323.987 CMT valuing ₹1126.34 lakh (considering stock valuation rate as on 31.03.2020) arising out of mismatch of copper content based on Delivery Order quantity and actual copper content as per R&D report for the period 2016-17 to 2019-20 and also identified the differences in respect of copper content as 481.262 CMT valuing ₹1673.11 lakh (considering stock valuation rate as on 31.03.2020) arising out of reconciliation of difference of handling losses during dispatch of copper concentrate from discharge point to bedding building for storage through loader, loss through tyres of loading equipments during dispatch and to and fro movement of trucks till the final weighment clearance for the period 2009-10 to 2019-20 which are duly checked and certified by an independent Chartered Accountant firm. Moreover, in-house team of KCC has identified that 850.000 CMT of copper concentrate valuing ₹2955.04 lakh (considering stock valuation rate as on 31.03.2020) is lying at the bottom of bedding building





which is mixed with floor concrete, impurities, stones etc. as well as partially oxidized and there is also heavy lump formation over a period of several years which is not suitable for pyro-metallurgical plant, making it unrealizable and hence the same is being treated as dead stock. Based on all the above aspects, 1655.249 CMT (323.987 CMT + 481.262 CMT + 850.000 CMT) valuing ₹5754.49 lakh (₹1126.34 lakh + ₹1673.11 lakh + ₹2955.04 lakh) has been written off during the current year as one-time adjustment of closing stock.

ICC unit have also reconciled the closing stock of Work in Progress & Finished Goods and identified the differences in respect of copper content as 3837.429 CMT valuing ₹9953.90 lakh (considering stock valuation rate as on 31.03.2020) against receipt of copper concentrate from MCP arising out of mismatch of copper content based on provisional data of MCP and actual copper content as per analysis done at ICC for the period 2008-09 to 2019-20 and also reconciled the differences in respect of copper content as 3149.000 CMT valuing ₹8168.20 lakh (considering stock valuation rate as on 31.03.2020) being the difference of average metal loss considered in inventory valuation vis-à-vis actual average metal loss in Granulated Copper Dump Slag for the period 2008-09 to 2019-20 which are duly checked and certified by an independent CA firm. Moreover, in-house team of ICC has identified 706.965 CMT of copper concentrate valuing ₹1833.80 lakh (considering stock valuation rate as on 31.03.2020) mixed with impurities as well as partially oxidized over a period of several years, making it unrealizable and hence the same is being treated as dead stock. Based on all the above aspects, 7693.394 CMT (3837.429 CMT + 3149.000 CMT + 706.965 CMT) valuing ₹19955.90 lakh (₹9953.90 lakh + ₹8168.20 lakh + ₹1833.80 lakh) has been written off during the current year as one-time adjustment of closing stock.

Based on all the above facts, the closing stock as on 31.03.2020 is reduced by ₹25710.39 lakh (₹5754.49 lakh + ₹19955.90 lakh) due to one-time write off of closing stock of KCC & ICC respectively. Further provision amounting to ₹18331.80 lakh has been made against Mill Scat and Lean Ore at MCP, which are not presently in use and have no realisable value at present.

The company has modified the Standard Operating Procedure (SOP) on Inventory Management, duly verified and certified by an independent CA firm, addressing all the above issues to strengthen the reconciliation of inventory as an ongoing activity.

32. Consequent upon the Judgment of Common Cause dated 02.08.2017, which is applicable only to the mining leases of iron and manganese ore, passed by the Apex court in the case of Common Cause Vs UOI and others, a demand of ₹4353.78 lakh was raised by the District Mining Officer of Jamshedpur for running the Surda mine without valid environment clearance (EC) although Surda mine has a valid mining lease, forest clearance and it has adhered to the terms of approved mining plan and it was working on valid Consent to Operate. Based on the Revision Application filed by the company, the Revisional Authority of the Ministry of Mines, after hearing at length both parties had issued specific direction against the District Mining Officer (DMO) not to take any coercive measures in terms of recovery of the said demand. On revision of demand from ₹4353.78 lakh to ₹12690.49 lakh by the office of the District Mining Officer and subsequently revised to ₹92940.06 lakh by the State Government, the company again appealed before the Revisional Authority and hearing was held on 14.11.2019 and interim stay is granted by the Revisional Authority till the next date of hearing. Since at present mining leases of copper ore are not included under Common Cause Judgement, the Management, based on the legal opinion, is of the view that the same has not to be shown as Contingent Liability as on 31.03.2020.
33. The spread of Covid 19 has affected the business operations of the company in all the units due to lock down declared by the Government. The company has taken various measures in consonance with the Government advisories to contain the pandemic, which included closing of mining and operational activities across the company. However, Government has allowed to resume its operation in all the units during April 2020 & May 2020.

Given the uncertainty of quick turnaround to normalcy, post lifting of the closure, the company has carried out a comprehensive assessment of possible impact on its business operations, financial assets, contractual obligations and its overall liquidity position, based on the internal and external sources of information and application of reasonable estimates. Management will continue to monitor any material changes arising due to the impact of this pandemic on financial and operational performance of the company and take necessary measures to address the situation.

34. The previous year's figures have been regrouped / rearranged, wherever necessary.

**Note No. 39 : GENERAL NOTES ON ACCOUNTS**  
**Additional information forming part of accounts for year ended March 31, 2020**  
**39.1 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 lakh        | Quantity         | Value ₹ in lakh        | Quantity         | Value ₹ in lakh        |  |  |
| Manufacturing Activities                  |      |                    |   |                   |                  |                        |                  |                        |                  |                        |  |  |
| a : Main products                         |      |                    |   |                   |                  |                        |                  |                        |                  |                        |  |  |
| 1. Wire bar *                             | MT   | 39400<br>(39400)   | 39400<br>(39400)                                | -<br>(-)          | -<br>(-)         | -<br>(-)               | -<br>(-)         | -<br>(-)               | -<br>(-)         | -<br>(-)               | -<br>(-)   |  |
| 2. Wire rod                               | MT   | 60000<br>(60000)   | 60000<br>(60000)                                | 4108<br>(13866)   | 160<br>(51)      | 653.63<br>(226.02)     | 21<br>(160)      | 83.00<br>(653.63)      | 4247<br>(13756)  | 18989.96<br>(63861.13) | -<br>(-)   |  |
| 3. Cathode including Toll Smelted Cathode | MT   | 99500<br>(99500)   | 68500**<br>(68500)                              | 5340<br>(16215)   | 290<br>(440)     | 1206.61<br>(1648.41)   | 2<br>(290)       | 7.06<br>(1206.61)      | 1492<br>(2564)   | 6608.09<br>(11870.82)  | 4137<br>(13801)  |  |
| 4. Metal in Concentrate                   | CMT  |                    |   | 26502<br>(32439)  | 16786<br>(20850) | 39933.39<br>(47859.28) | 10340<br>(16786) | 33292.12<br>(39933.39) | 12669<br>(21953) | 50824.96<br>(91087.80) | 20279<br>(14549)   |  |
| b : By products                           |      |                    |   |                   |                  |                        |                  |                        |                  |                        |  |  |
| 1. Gold                                   | KG   | 264<br>(264)       | 698<br>(698)                                    | -<br>(-)          | -<br>(-)         | -<br>(-)               | -<br>(-)         | -<br>(-)               | -<br>(-)         | -<br>(-)               | -<br>(-)   |  |
| 2. Silver                                 | KG   | 4763<br>(4763)     | 9868<br>(9868)                                  | -<br>(-)          | -<br>(-)         | -<br>(-)               | -<br>(-)         | -<br>(-)               | -<br>(-)         | -<br>(-)               | -<br>(-)   |  |
| 3. Nickel sulphate                        | MT   | 250<br>(250)       | 390<br>(390)                                    | -<br>(-)          | -<br>(-)         | -<br>(-)               | -<br>(-)         | -<br>(-)               | -<br>(-)         | -<br>(-)               | -<br>(-)   |  |
| 4. Selenium                               | KG   | 10000<br>(10000)   | 14600<br>(14600)                                | -<br>(-)          | -<br>(-)         | -<br>(-)               | -<br>(-)         | -<br>(-)               | -<br>(-)         | -<br>(-)               | -<br>(-)   |  |
| 5. Sulphuric acid                         | MT   | 236000<br>(236000) | 236000<br>(236000)                              | 5943<br>(15445)   | 1266<br>(1696)   | 98.36<br>(82.16)       | 976<br>(1266)    | 59.20<br>(98.36)       | 5514<br>(14414)  | 294.52<br>(912.36)     | 718<br>(1461)  |  |
| c : Allied and semi- Finished products    |      |                    |   |                   |                  |                        |                  |                        |                  |                        |  |  |
| 1. Anode slime                            | MT   | NA                 | -   | 5                 | 25               | 1393.86                | 5                | 610.34                 | 25               | 1996.80                | -  |  |
| 2. Copper mould                           | MT   | NA                 | (-)   | (48)              | (6)              | (289.27)               | (25)             | (1393.86)              | (29)             | (3291.45)              | (-)  |  |
|   |      | NA                 | -   | -                 | -                | -                      | -                | -                      | -                | -                      | -  |  |
|   |      | (NA)               | (-)   | (-)               | (-)              | (-)                    | (-)              | (-)                    | (-)              | (-)                    | (-)  |  |



(Figures in brackets pertain to those of previous year)

| Class of goods       | Unit | Licensed capacity | Installed capacity certified by management) | Actual production | Opening Stock |                   | Closing Stock |                   | Sales         |                    | Issued for internal consumption/ intermediate Products and others and Quantity |
|----------------------|------|-------------------|---|-------------------|---------------|-------------------|---------------|-------------------|---------------|--------------------|--|
|                      |      |                   |   |                   | Quantity      | Value ₹ in lakh   | Quantity      | Value ₹ in lakh   | Quantity      | Value ₹ in lakh    |  |
| 3. Kyanite           | MT   | NA                | -   | -                 | -             | -                 | -             | -                 | -             | -                  | -  |
|                      |      | (NA)              | (-)   | (-)               | (-)           | (-)               | (-)           | (-)               | (-)           | (-)                | (-)  |
| 4. Others            | MT   | NA                | -   | -                 | -             | -                 | -             | -                 | 1602.32 ***** | -                  | -  |
|                      |      | (NA)              | (-)   | (-)               | (-)           | (-)               | (-)           | (-)               | (4320.29)     | -                  | -  |
| d : Work in progress |      |                   |   |                   |               |                   |               |                   |               |                    |  |
| i) Metal in Ore      |      |                   |   | 31131             | 5762          | 8842.32           | 40080         | 5901.71           | -             | -                  | (3187)   |
|                      |      |                   |   | (35881)           | (6541)        | (7209.48)         | (5762)        | (8842.32)         | -             | -                  | (36661)  |
| ii) Other WIP        |      |                   |   |                   |               | 7297.28 ***       |               | 24585.60 *****    |               |                    |  |
|                      |      |                   |   |                   |               | (16447.57)        |               | (7297.28)         |               |                    |  |
| <b>GRAND TOTAL</b>   |      |                   |   |                   |               | <b>59425.45</b>   |               | <b>64539.03</b>   |               | <b>80316.65</b>    |  |
|                      |      |                   |   |                   |               | <b>(73762.19)</b> |               | <b>(59425.45)</b> |               | <b>(175343.85)</b> |  |

Note :

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

\*\* Although the Installed Capacity of Cathode is shown as 99500 MT (KCC - 31000 MT & ICC - 18500 MT, GCP - 50000 MT), due to economic consideration the Company suspended KCC Smelter & Refinery from December 2008.

|  | Copper Sulphate | Reverts | Liberator/ Electroworn Cathode | Magnetic/ Red/Copper Jam | Anode Slag | Anode in floor/Anode in cell | Scrap   | Others   | Total    |
|--|-----------------|---------|--------------------------------|--------------------------|------------|------------------------------|---------|----------|----------|
| *** Opening Work in progress includes  |                 |         |                                |                          |            |                              |         |          |          |
| Current year                           | 10.58           | 611.25  | -                              | 70.71                    | 1.31       | 3348.59                      | 692.23  | 2562.62  | 7297.28  |
| Previous year                          | 178.97          | 2076.64 | 9.35                           | 4.93                     | 1743.48    | 2577.63                      | 1304.64 | 8551.93  | 16447.57 |
| **** Closing Work in progress includes |                 |         |                                |                          |            |                              |         |          |          |
| Current year                           | 10.63           | 642.17  | -                              | 11.64                    | 0.85       | 872.09                       | 229.91  | 22818.31 | 24585.60 |
| Previous year                          | 10.58           | 611.25  | -                              | 70.71                    | 1.31       | 3348.59                      | 692.23  | 2562.62  | 7297.28  |

| ****Other Sales value includes | Copper Sulphate | Reverts | Liberator/ Electroworn Cathode | Magnetic/ Red/Copper Jam | Anode Slag | Granulated Slag | Copper Dust | Copper Ash/ Residue | Others | TOTAL   |
|--------------------------------|-----------------|---------|--------------------------------|--------------------------|------------|-----------------|-------------|---------------------|--------|---------|
| Current year                   | 217.70          | 815.98  | 22.32                          | -                        | 0.06       | 401.21          | 7.56        | 69.54               | 67.95  | 1602.32 |
| Previous Year                  | 717.04          | 2027.10 | 95.54                          | 30.35                    | 8.22       | 346.95          | 139.25      | 78.89               | 876.95 | 4320.29 |



**39.2 Raw materials consumed**

|                                      | Quantity   |            | Value       |             |
|--------------------------------------|------------|------------|-------------|-------------|
|                                      | Year ended | Year ended | Year ended  | Year ended  |
|                                      | 2019-2020  | 2018-2019  | 2019-2020   | 2018-2019   |
|                                      | CMT        | CMT        | (₹ in lakh) | (₹ in lakh) |
| Concentrate own production           | 5948       | 14549      | 16060.14    | 33438.35    |
| Concentrate excluding own production | -          | -          | -           | -           |
| Cathode                              | -          | -          | -           | -           |

**39.3 Imported and indigenous raw materials, stores spare parts and components consumed (as certified by the management)**

|   | %             | %             |                 |                 |
|---|---------------|---------------|-----------------|-----------------|
| <b>RAW MATERIALS:</b>   |               |               |                 |                 |
| Imported  | 95            | 92            | 461.39          | 5741.43         |
| Indigenous  | 5             | 8             | 21.90           | 528.14          |
|   | <b>100.00</b> | <b>100.00</b> | <b>483.29</b>   | <b>6269.57</b>  |
| <b>STORES &amp; SPARES:</b>   |               |               |                 |                 |
| (Direct and Stores & Spares booked in Mine Development, Shut-down and Fuel) |               |               |                 |                 |
| Imported  | 1             | 4             | 157.95          | 882.50          |
| Indigenous  | 99            | 96            | 16298.30        | 20448.64        |
|   | <b>100.00</b> | <b>100.00</b> | <b>16456.25</b> | <b>21331.14</b> |

**39.4 C.I.F. value of imports**

|                                    |               |                |
|------------------------------------|---------------|----------------|
| Raw Material                       | 461.39        | 5741.43        |
| Components, spare parts and stores | 226.60        | 1444.00        |
|                                    | <b>687.99</b> | <b>7185.43</b> |

**39.5 Expenditure in foreign currency**

|            |               |                |
|------------|---------------|----------------|
| Travelling | 67.84         | 85.64          |
| Others     | 753.39        | 7185.52        |
|            | <b>821.23</b> | <b>7271.16</b> |

**39.6 Earning in foreign Exchange**

|                       |                 |                 |
|-----------------------|-----------------|-----------------|
| Export of Goods (FOB) | 46129.33        | 84267.33        |
|                       | <b>46129.33</b> | <b>84267.33</b> |

**39.7 Payment to Whole Time Directors**

|   |               |               |
|---|---------------|---------------|
| Salaries and allowances                             | 153.84        | 186.11        |
| Company's contribution to provident and other funds | 13.18         | 13.99         |
| Re-imbursment of Medical expenses                   | 1.06          | 0.53          |
| Leave Encashment                                    | 32.83         | 13.23         |
| Gratuity  | 20.00         | 10.00         |
| Other Benefits                                      | 29.68         | 26.21         |
|   | <b>250.59</b> | <b>250.07</b> |

Note :

In addition, the Whole Time Directors are allowed the use of company car for private purpose and have been provided with residential accommodation as per terms of their appointment/Government guidelines

**CONSOLIDATED  
FINANCIAL  
STATEMENTS**



## Independent Auditor's Report

**To**  
**The Members of**  
**Hindustan Copper Limited**

### **Report on the Audit of the Consolidated Financial Statements**

#### **Opinion**

We have audited the accompanying Consolidated Financial Statements of Hindustan Copper Limited (hereinafter referred to as the "Holding company") and its one subsidiary company (Holding and its subsidiary together referred to as "the Group") and its one jointly controlled entity, which comprise the Consolidated Balance Sheet as at March 31, 2020, the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Statement of Changes in Equity and the consolidated Statement of Cash Flows for the year ended on that date, and notes to the Consolidated Financial Statements including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its jointly controlled entity as at March 31, 2020, and its consolidated loss (including Other Comprehensive loss), consolidated changes in equity and its consolidated cash flows for the year ended on that date.

#### **Basis for Opinion**

We conducted our audit of the Consolidated Financial Statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group and its jointly controlled entity in accordance with the ethical requirements that are relevant to our audit of the Consolidated Financial Statements in India in terms of the Code of Ethics issued by Institute of chartered Accountants of India and the relevant provisions of the Companies Act, 2013, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained and audit evidence obtained by other auditors in terms of their report as referred in "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

#### **Emphasis of Matters**

We draw attention to the following matters:

- a) Note No. 39 (1) "Contingent liabilities" of the accompanying Consolidated Financial Statements which describes the uncertainty related to the outcome of the lawsuits filed and demands raised against the Group and its jointly controlled entity by various parties and Government authorities;
- b) Note No. 39 (6) of the accompanying Consolidated Financial Statements which states the title deeds for freehold and leasehold land and building acquired in respect of Gujarat Copper Project (GCP) of Holding company with book value of ₹5578.11 Lakh (PY:- ₹5859.97 Lakh) are yet to be executed in favor of the Holding company. Title deeds for other leasehold and freehold lands available with the Holding company or other evidences of title are pending to be reconciled with the financial records at Holding company.
- c) Note No. 39 (8) of the accompanying Consolidated Financial Statements wherein, balances under the head Claims Recoverable, Loans & Advances, Deposits with various parties and certain balances of receivables, payables and other current liabilities at Holding company have not been confirmed as at March 31, 2020. Consequential impact upon receipt of such confirmation/reconciliation/adjustments of such balances, if any is not ascertainable at this stage;
- d) Note No. 39 (29) the accompanying Consolidated Financial Statements regarding Gujarat Copper project at Holding company valuing ₹24536.34 Lakh (PY:- ₹27214.50 Lakh) has not been able to operate profitably due to various constraint, viability assessment needs to be done to evaluate and adjust for possible impairment loss, if any.



- e) Note No.39 (32) which states that Closing stock as at 31<sup>st</sup> March, 2020 at Holding company has been reduced aggregately by ₹25710.39 Lakh due to one-time adjustment through write-off in value of closing stock arising as a result of, reconciliation of metal content in copper concentrate on inter-unit transfer and sales, assessment of metal loss in generation of granulated Dump Slag, handling losses and old & oxidized concentrate. Further low grade Lean Ore and Mill Scat not presently in use in manufacturing process, for which provision of ₹18331.80 Lakh has been made in the books of accounts as at March 31, 2020 by the Holding company's management. As mentioned in the referred note, the Holding company has modified its Standard Operating Procedure on Inventory Management to strengthen the reconciliation of inventory as an ongoing activity and identification and segregation of unused stock for better control; and
- f) Note No.39 (34) which describes the uncertainties and the assessment of possible impact of COVID-19 pandemic on its Group's business operations, financial assets, contractual obligations and its overall liquidity position as at March 31, 2020 by the Group and its jointly controlled entity. The Group's management will continue to monitor in future any material changes arising on financial and operational performance of the Group and its jointly controlled entity due to the impact of this pandemic and necessary measure to address the situation.

Our opinion is not modified in respect of these matters.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

| Sl. No. | Key Audit Matters  | Auditor's Response  |
|---------|--|---|
| 1.      | <p><b><u>Assessment of Stripping Ratio and charging of overburden expenditure during production stage of surface mines to Mines Development Expenditure and Profit and Loss account</u></b></p> <p>Referred in Note No.2 (11) and Note No.9 of the Consolidated Financial Statements.</p> <p>Assessment of Stripping Ratio is technically estimated initially at the beginning of the Mines and later on periodically assessed for which no standards written policy are there. Normally review done within a period of 3 to 4 years as informed to us.</p> <p>In case of open cast mines, the expenditure on removal of waste and overburden, is capitalized and the same is depleted in relation to actual ore production during the year on the stripping ratio which is re-assessed periodically based on the estimated ore reserve as well as the quantity of waste excavation in respect of open cast mines.</p> <p>Assessment of Stripping Ratio is uniquely applied under the Mining industries which involves significant judgment to determine the ratio and that also keep on change from time to time. This ratio has been changed subsequently based on the actual output of overburden and Ore exposed during the production stage of the mines.</p> <p>We have identified this area as key audit matter due to its nature as industry specific and involvement of technical assumptions and judgments in calculation of stripping ratio. Further it has a material impact on the financial statements being this year the Group has amortized ₹23904.06 Lakh (PY:- 20074.56 Lakh) as Mine development expenditure in respect of open cast mines at Holding company.</p> | <p><b><u>Principal Audit Procedures</u></b></p> <p>Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows:</p> <ul style="list-style-type: none"> <li>• We went through the current status of the mining at different mines</li> <li>• We discussed with the management about the stripping procedure adopted in the industry as well practice followed by the Company</li> <li>• Procedure followed by the management towards Identification of expenditures incurred in surface mines during production stage</li> <li>• Understanding the computation of Stripping ratio initially made and documents made available to us.</li> <li>• We have checked the stripping ratio to be charged under amortization for mine development expenditure for balance period of mines</li> <li>• Discussion with the core technical team involve in this process</li> <li>• Reliance is placed on the representations of the management.</li> </ul> |





|    |   |   |
|----|---|---|
| 2. | <p><b><u>Modified Audit Procedures carried out in light of COVID-19 outbreak:</u></b></p> <p>Due to COVID-19 pandemic, Nation-wide lockdown and travel restrictions imposed by Central / State Government / Local Authorities during the period of our audit wherever physical access was not possible, audit could not be conducted by visiting the Plants/Projects/Regional Sales offices. As we could not gather audit evidence in person/ physically/ through discussions and personal interactions with the officials at the Plants/Projects/Regional Sales offices, we have identified such modified audit procedures as a Key Audit Matter. Accordingly, our audit procedures were modified to carry out the audit remotely.</p> | <p><b><u>Principal Audit Procedures</u></b></p> <p>Due to the outbreak of COVID-19 pandemic that caused nationwide lockdown and other travel restrictions imposed by the Central and State Governments/local administration during the period of our audit, we could not travel to the Plants/Projects/Regional Sales offices and carry out the audit processes physically at the respective Plants/Projects/Regional Sales offices. Wherever physical access was not possible, necessary records/ reports/ documents/ certificates were made available to us by the management of the respective Plants /Projects / Regional Sales offices through E-Mail and to the extent generated from the ORACLE system at Head office, Kolkata. To this extent, the audit process was carried out on the basis of such documents, reports and records made available to us on which were relied upon as audit evidence for conducting the audit and reporting for the current period.</p> <p>Accordingly, we modified our audit procedures as follows:</p> <ul style="list-style-type: none"><li>a) Conducted verification of necessary records/ documents/Trial Balances and other relevant application software electronically through remote access/ emails in respect of Plants/Projects/ Regional Sales offices wherever physical access was not possible.</li><li>b) Carried out verification of scanned copies of the documents, records, certificates, deeds etc. made available to us through emails and remote access over secure network of the Company.</li><li>c) Making enquiries and gathering necessary audit evidence through telephonic communication and e-mails.</li></ul> |
|----|---|---|

**Information Other than the Consolidated Financial Statements and Auditor's Report Thereon**

The Holding company's Board of Directors is responsible for the other information. The other information comprises the information included in the Report of the Board of Directors, Management Discussion and Analysis Report, Report on CSR activities, Business Responsibility Report, Corporate Governance Report and other annexure to Directors Report including Shareholder's Information, but does not include the Consolidated Financial Statements and our auditor's report thereon. The Report of the Board of Directors including annexures and other related statements forming part of the Company's annual report is expected to be made available to us after the date of this audit report.

Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.



In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information when it becomes available only and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact.

When we read the Report of the Board of Directors including annexures and other related statements form part of the annual report and made available to us after the date of this audit report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

### **Responsibility of Management and Those Charged with Governance for the Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("The Act") with respect to the preparation of these Consolidated Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance, changes in equity and consolidated cash flows of the Group and its jointly controlled entity in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group and its Jointly controlled entity are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its Jointly controlled entity 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 Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of the preparation of the Consolidated Financial Statements by the Directors of the Holding company, as aforesaid..

In preparing the Consolidated Financial Statements, the respective Board of Directors of the companies included in the Group and its jointly controlled entity are responsible for assessing the ability of the Group and its Jointly controlled entity to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group and its jointly controlled entity or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and its jointly controlled entity is also responsible for overseeing the financial reporting process of the Group and its jointly controlled entity.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



## Independent Auditor's Report (Contd...)

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- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the companies within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of the companies included in the consolidated financial statements of which we are the Independent auditors. For the other companies included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the Consolidated Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Consolidated Financial Statements.

We communicate with those charged with governance of the Holding company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



### Other Matters

We did not audit the financial statements / financial information of one Subsidiary company and one jointly controlled entity, whose financial statements / financial information reflect total assets of ₹5.31 Lakh as at March 31, 2020, Group's share of total revenue of ₹Nil for the period from 1st April 2019 to 31<sup>st</sup> March, 2020 and net cash out flows amounting to ₹4.96 lakh for the year ended on that date, as considered in the Consolidated Financial Statements. These financial statements / financial information of subsidiary company and jointly controlled entity have been audited by other auditors whose reports have been furnished to us by the Holding company's management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiary company and jointly controlled entity, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary company and jointly controlled entity, is based solely on the reports of the other auditors.

Our opinion is not modified in respect of this matter.

### Report on Other Legal and Regulatory Requirements

- 1) The Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013 is not applicable to the Consolidated Financial Statements as referred in Proviso to Para 2 of the said Order.
- 2) As required by Section 143(3) of the Act, we report 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 of the aforesaid Consolidated Financial Statements except as reported in Clause (b) & (c) of the "Emphasis of Matters" paragraph above;
  - b) In our opinion, proper books of account as required by law relating to the preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and reports of the other auditors.
  - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements.
  - d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2015 as amended;
  - e) In pursuance to the Notification No. G.S.R 463(E) dated 05-06-2015 issued by the Ministry of Corporate affairs, Section 164(2) of the Companies Act, 2013 pertaining to disqualification of Directors, is not applicable to the Government Companies.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and its jointly controlled entity the operating effectiveness of such controls, refer to our separate Report in "**Annexure-A**";
  - g) As per Notification No. GSR 463(E) dated 05-06-2015 issued by the Ministry of Corporate Affairs, Government of India, Section 197 of the Act is not applicable to the Government Companies. Accordingly, reporting in accordance with requirement of provisions of Section 197(16) of the Act is not applicable.
  - h) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Consolidated Financial Statements disclose the impact of pending litigations on its consolidated financial position of the Group and its jointly controlled entity.—[Refer Note No.39 (1) to the accompanying Consolidated Financial Statements];



## Independent Auditor's Report (Contd...)

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- ii. The Group and its jointly controlled entity did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund at the Holding company. While there were no amount, required to be transferred, to the Investor Education and Protection Fund by the subsidiary company and jointly controlled entity as reported by respective auditors of those companies within the Group.
- 3) As required by Section 143(5) of the Act, we give in the “**Annexure-B**”, a statement on the matters specified in the Directions issued by the Comptroller and Auditor General of India in respect of the Group and its jointly controlled entity. This statement has been prepared incorporating the comments of the Auditors' of the subsidiary company and jointly controlled entity as reported.

For **Chaturvedi & Co.**  
Chartered Accountants  
(Firm's Registration No.302137E)

Place: Kolkata  
Date: July 21, 2020

**CA R.K. Nanda**  
Partner  
(Membership No.510574)

UDIN: 20510574AAAABI8371



**{Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our Independent Auditor's Report to the Members of Hindustan Copper Limited}**

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

In conjunction with our audit of the Consolidated Financial Statements of the Group and its jointly controlled entity as of and for the year ended March 31, 2020, we have audited the internal financial controls over financial reporting of Hindustan Copper Limited (hereinafter referred as "the Holding company") as of March 31, 2020 and considered the report of auditor of the subsidiary company and its jointly controlled entity as of that date.

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

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

**Auditor's Responsibility**

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

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

We believe that the audit evidence we have obtained and audit evidence obtain by the Other auditors in terms of their reports referred to in the "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Group's internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are





## Annexure - A to the Independent Auditor's Report (Contd...)

subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Group has, in all material respects, internal financial controls system over financial reporting and such internal financial controls over financial reporting were generally operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Group and its jointly controlled entity considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by The Institute of Chartered Accountants of India. However as reported in Audit report of Holding company in certain areas where design documentation need further improvement like Manual on Fixed Assets verification, Implementation of Centralized data base for Title deeds/lease deeds/ other evidences of titles in respect of both freehold and leasehold lands and Buildings, Fund Management including Cash and Bank and controls over issuance of Bank Guarantees shown as contingent liabilities, Comprehensive delegation of power, adequate departmental work allocation process, job rotation policy etc., Inventory Management, Receivable Management, Expenditure on CSR, Payable Management incorporating the process flow by which the transactions are initiated, authorized, processed, recorded and reported at department level at Plants/ Projects as well as for financial reporting process. Modification of finance/accounts manual at Holding company needs to be done incorporating the Indian Accounting Standards requirements to have effective internal controls over financial reporting. System integration to capture the transactions that relates to financial statements and events/conditions and other transactions significant to the financial statement has to be designed properly so as to fulfill the objectives of control criteria established by the Holding company.

Internal controls over financial reporting process as well as testing of such control activities at Holding company has to be further improved considering the discrepancies noticed in physical verification of fixed assets like non availability of prescribed format of reporting, reconciliation of mismatches out of such physical verification, timely adjustment of discrepancies noticed, team structure etc. and maintenance of Fixed Asset Register to be further improved. Identification of old account balances and action taken to settle/adjust the account balances after due assessments and reconciliation of account balances has to be carried out periodically. Utilization certificate related to funds disbursed at Holding company under CSR programme have not been received in proper format explaining the date wise disbursements by company, various mode of spending the amount within a project, details of agency involved with their name, amount paid etc for better control. Further various control activities in Inventory management at Holding company have to be established looking into the size of the Company and nature of its business especially like non-availability of defined formats of reporting upon completion of physical verification, fixing any tolerance limit for stock adjustment, Quantification of process stock and assessment of its quality, delay identification of unused stock lying on floor and its segregation process, Improper monitoring and recording of standard and actual average metal loss during manufacturing process, handling losses during the dispatch of copper concentrate from discharge point to bedding building for storage and reconciliation of metal content in copper concentrate on inter-unit transfer and sales. As reported, the Holding company has modified its Standard Operating Procedure on Inventory Management to strengthen the reconciliation of differences arise in physical verification process as an ongoing activity and identification and segregation of unused stock for better control. However, our opinion is not qualified in the above respect.

### Other Matters

Our aforesaid report under Section 143(3)(i) of the Act, on the adequacy and operating effectiveness of the internal financial controls over financial reporting, is so far as it relates to the one subsidiary company and its jointly controlled entity, is based on the corresponding report of the auditors of such companies, companies incorporated in India.

For **Chaturvedi & Co.**  
Chartered Accountants  
(Firm's Registration No.302137E)

Place: Kolkata  
Date: July 21, 2020

**CA R.K. Nanda**  
Partner  
(Membership No.510574)

UDIN: 20510574AAAABI8371



**(Referred to in Paragraph 3 under ‘Report on Other Legal and Regulatory Requirements’ section of our Independent Auditor’s Report to the Members of Hindustan Copper Limited)**

| Sl. No. | Details/Directions  | Auditors’ Reply  | Action Taken and Impact on Accounts and Financial statements   |
|---------|---|--|--|
| 1.      | Whether the company has system in place to process all the accounting transactions through IT System? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with financial implications, if any may be stated. | Yes, the Group and its jointly controlled entity has system in place to process all the accounting transactions through IT System.   | There is no impact on the accounts and Consolidated Financial Statements.  |
| 2.      | Whether there is any restructuring of any existing loan or cases of wavier/ write off of debts/loans/interest etc. made by a lender to the company due to the company’s inability to repay the loan? If yes, the financial impact may be stated.                                    | Based on the information available to us, there is no restructuring of any existing loan or cases of wavier/ write off of debts/loans/interest etc. made by a lender to the company during FY: 2019-20. However, the Holding company has written back aggregate amount of ₹2280.83 Lakh towards trade liabilities pending since long and excess provisions made in accounts during the normal course of business, as stated under Note No. 39 (11) of the Consolidated Financial Statements. | Impact on the accounts and financial statements to the tune of ₹1453.37 Lakh has already been considered.<br><br>Amount of ₹827.46 Lakh towards provision against feasibility study of Concentrator Plant at MCP of Holding company has been written back and equivalent amount of Capital work in progress has also charged to revenue resulting Nil impact in the accounts of the Holding company as well as in Consolidated Financial Statements. |
| 3.      | Whether funds received/receivable for specific schemes from Central/State agencies were properly accounted for / utilized as per its term and conditions? List the cases of deviation.  | No funds received/receivable for specific schemes from Central/State agencies during FY 2019-20.   | There is no impact on the accounts and Consolidated Financial Statements.  |

For **Chaturvedi & Co.**  
Chartered Accountants  
(Firm’s Registration No.302137E)

Place: Kolkata  
Date: July 21, 2020

**CA R.K. Nanda**  
Partner  
(Membership No.510574)

UDIN: 20510574AAAABI8371



**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) READ WITH SECTION 129(4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF HINDUSTAN COPPER LIMITED FOR THE YEAR ENDED 31 MARCH 2020**

The preparation of consolidated financial statements of Hindustan Copper Limited for the year ended 31 March 2020 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under Section 139(5) read with section 129(4) of the Act is responsible for expressing opinion on these financial statements under section 143 read with section 129(4) of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 21 July 2020.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the consolidated financial statements of Hindustan Copper Limited for the year ended 31 March 2020 under Section 143(6)(a) read with section 129(4) of the Act. We conducted a supplementary audit of the financial statements of Hindustan Copper Limited and its subsidiary company Chhattisgarh Copper Limited for the year ended on that date. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

On the basis of my supplementary 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 Act .

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

(Suparna Deb)  
Director General Audit (Mines)  
Kolkata

Place : Kolkata  
Date : 03 September 2020



## Consolidated Balance Sheet as at 31<sup>st</sup> March 2020

(₹ in lakh)

| PARTICULARS   | Note No.  | As at<br>31 <sup>st</sup> March, 2020 | As at<br>31 <sup>st</sup> March, 2019 |
|---|-----------|---------------------------------------|---------------------------------------|
| <b>ASSETS</b>   |           |                                       |                                       |
| <b>(1) NON-CURRENT ASSETS</b>   |           |                                       |                                       |
| (a) Property, Plant and Equipment   | 3A & 3B   | 29427.52                              | 31653.72                              |
| (b) Capital Work In Progress  | 4         | 123177.57                             | 102211.31                             |
| (c) Financial Assets  |           |                                       |                                       |
| (i) Investments   | 5         | 3.00                                  | -                                     |
| (ii) Others   | 6         | 26.36                                 | 12.47                                 |
| (d) Deferred Tax Assets (Net)   | 7         | 5290.81                               | 6831.36                               |
| (e) Non-Current Tax Assets (Net)  | 8         | 689.82                                | 620.33                                |
| (f) Other Non-Current Assets  | 9         | 49269.28                              | 53268.78                              |
| <b>(2) CURRENT ASSETS</b>   |           |                                       |                                       |
| (a) Inventories   | 10        | 51982.72                              | 64366.77                              |
| (b) Financial Assets  |           |                                       |                                       |
| (i) Investments   | 11        | 9.48                                  | 8.85                                  |
| (ii) Trade receivables  | 12        | 8289.35                               | 36154.83                              |
| (iii) Cash and cash equivalents   | 13        | 1134.86                               | 663.53                                |
| (iv) Bank Balances other than above   | 14        | 452.52                                | 424.19                                |
| (v) Others  | 15        | 2686.41                               | 3279.93                               |
| (c) Current Tax Assets (Net)  | 16        | 1845.39                               | -                                     |
| (d) Other current assets  | 17        | 37491.49                              | 32103.30                              |
| <b>Total Assets</b>   |           | <b>311776.58</b>                      | <b>331599.37</b>                      |
| <b>EQUITY AND LIABILITIES</b>   |           |                                       |                                       |
| <b>(1) Equity</b>   |           |                                       |                                       |
| (a) Equity Share Capital  | 18        | 46260.90                              | 46260.90                              |
| (b) Other Equity  | 19        | 49734.19                              | 117417.99                             |
| Attributable to Non Controlling Interest  |           |                                       |                                       |
| (a) Equity Share Capital  |           | 6.50                                  | 6.50                                  |
| (b) Other Equity  |           | (6.45)                                | (6.45)                                |
| <b>Liabilities</b>  |           |                                       |                                       |
| <b>1 NON-CURRENT LIABILITIES</b>  |           |                                       |                                       |
| (a) Financial Liabilities   |           |                                       |                                       |
| (i) Borrowings  | 20        | 63617.53                              | 57065.73                              |
| (ii) Other financial liabilities  | 21        | 843.53                                | 843.53                                |
| (b) Provisions  | 22        | 6565.93                               | 5471.59                               |
| <b>(2) CURRENT LIABILITIES</b>  |           |                                       |                                       |
| (a) Financial Liabilities   |           |                                       |                                       |
| (i) Borrowings  | 23        | 92749.96                              | 49945.20                              |
| (ii) Trade Payables   | 24        | 23374.42                              | 20229.08                              |
| (iii) Other financial liabilities   | 25        | 8582.21                               | 7600.37                               |
| (b) Other current liabilities   | 26        | 16984.81                              | 18883.94                              |
| (c) Provisions  | 27        | 3063.04                               | 6297.03                               |
| (d) Current Tax Liabilities (Net)   | 28        | -                                     | 1583.96                               |
| <b>Total Equity &amp; Liabilities</b>   |           | <b>311776.58</b>                      | <b>331599.37</b>                      |
| <b>Corporate Information</b>  | <b>1</b>  |                                       |                                       |
| <b>Significant Accounting Policies</b>  | <b>2</b>  |                                       |                                       |
| <b>General Notes on Accounts</b>  | <b>39</b> |                                       |                                       |
| <b>The notes referred to above form an integral part of the Financial Statements.</b> |           |                                       |                                       |

In terms of our report of even date attached.

For and on behalf of the Board of Directors

**For Chaturvedi & Co.**  
Chartered Accountants  
FRN 302137E

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

**Sukhen Kumar Bandyopadhyay**  
Director (Finance) & CFO  
(DIN : 08173882)

**Arun Kumar Shukla**  
Chairman and Managing Director & CEO  
(DIN : 03324672)

**CA R K NANDA**  
Partner  
(M No. 510574)

Place : Kolkata  
Dated : 21st July, 2020



# Consolidated Statement of Profit and Loss for the year Ended 31<sup>st</sup> March 2020

(₹ in lakh except EPS)

| Particulars  | Note No. | For the year ended 31 <sup>st</sup> March, 2020 | For the year ended 31 <sup>st</sup> March, 2019 |
|--|----------|---|---|
| <b>INCOME</b>  |          |   |   |
| I Revenue from Operations  | 29       | 83185.25  | 181625.72                                       |
| II Other Income  | 30       | 5696.22   | 3665.87   |
| <b>III Total Income (I+II)</b>   |          | <b>88881.47</b>                                 | <b>185291.59</b>                                |
| <b>EXPENSES</b>  |          |   |   |
| IV Cost of Materials Consumed  | 31       | 628.24  | 6493.41   |
| Changes in Inventories of Finished Goods, Semi-Finished and Work-In-Process  | 32       | (5113.58)                                       | 14336.74  |
| Employees Benefit Expense  | 33       | 25962.31  | 31651.48  |
| Finance Cost   | 34       | 6041.89   | 5546.10   |
| Depreciation and Amortisation Expense  | 35       | 28862.06  | 25289.40  |
| General, Administration & Other Expenses   | 36       | 86257.39  | 78964.61  |
| <b>Total Expenses (IV)</b>   |          | <b>142638.31</b>                                | <b>162281.74</b>                                |
| V <b>PROFIT/(LOSS) BEFORE EXCEPTIONAL ITEMS AND TAX (III-IV)</b>   |          | <b>(53756.84)</b>                               | <b>23009.85</b>                                 |
| VI Exceptional items   |          | -   | -   |
| VII <b>PROFIT/(LOSS) BEFORE TAX (V-VI)</b>   |          | <b>(53756.84)</b>                               | <b>23009.85</b>                                 |
| VIII <b>TAX EXPENSE</b>  | 37       |   |   |
| 1) Current Tax   |          | 842.18  | 9128.93   |
| 2) Deferred Tax  |          | 2295.83   | (667.91)  |
| <b>IX PROFIT/(LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS AFTER TAX (VII-VIII)</b>   |          | <b>(56894.85)</b>                               | <b>14548.83</b>                                 |
| IX(A) <b>PROFIT/(LOSS) FOR THE PERIOD AFTER TAX - Attributable to Owners (IX-IX(B))</b>  |          | <b>(56894.85)</b>                               | <b>14555.28</b>                                 |
| IX(B) <b>PROFIT/(LOSS) FOR THE PERIOD AFTER TAX - Attributable to Non Controlling Interest</b>   |          | -   | <b>(6.45)</b>                                   |
| X Profit/(Loss) from discontinued operations   |          | (34.70)   | (34.70)   |
| XI Tax expense of discontinued operations  |          | (8.73)  | (12.13)   |
| <b>XII PROFIT/(LOSS) FROM DISCONTINUED OPERATIONS AFTER TAX (X - XI)</b>   |          | <b>(25.97)</b>                                  | <b>(22.57)</b>                                  |
| <b>XIII PROFIT/(LOSS) FOR THE PERIOD AFTER TAX (IX+XII)</b>  |          | <b>(56920.82)</b>                               | <b>14526.26</b>                                 |
| XIV Share of Profit/(Loss) of Joint venture/ Associate   |          | (27.64)   | -   |
| <b>XV NET PROFIT/(LOSS) FOR THE PERIOD AFTER TAX &amp; SHARE OF PROFIT/(LOSS) OF JV/ASSOCIATE (XIII+XIV)</b>                                     |          | <b>(56948.46)</b>                               | <b>14526.26</b>                                 |
| XV(A) <b>PROFIT/(LOSS) FOR THE PERIOD AFTER TAX - Attributable to Owners (XV-XV(B))</b>  |          | <b>(56948.46)</b>                               | <b>14532.71</b>                                 |
| XV(B) <b>PROFIT/(LOSS) FOR THE PERIOD AFTER TAX - Attributable to Non Controlling Interest</b>   |          | -   | <b>(6.45)</b>                                   |
| XVI <b>OTHER COMPREHENSIVE INCOME/(LOSS)</b>   | 38       |   |   |
| A(i) Items that will not be reclassified to Profit / (Loss)  |          | (3000.95)                                       | (1676.21)                                       |
| A(ii) Income Tax relating to items that will not be reclassified to Profit / Loss  |          | 755.28  | 585.74  |
| B(i) Items that will be reclassified to Profit / (Loss)  |          | -   | -   |
| B(ii) Income Tax relating to items that will be reclassified to Profit/ (Loss)   |          | -   | -   |
| <b>XVII TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD (XIII+XIV) (Comprising Profit/(Loss) and Other Comprehensive Income for the period)</b> |          | <b>(59194.13)</b>                               | <b>13435.79</b>                                 |
| XVIII Earning per equity share (for continuing operations)   |          |   |   |
| 1 BASIC (₹)  |          | (6.152)   | 1.573   |
| 2 DILUTED (₹)  |          | (6.152)   | 1.573   |
| XIX Earning per equity share (for discontinued operations)   |          |   |   |
| 1 BASIC (₹)  |          | (0.003)   | (0.002)   |
| 2 DILUTED (₹)  |          | (0.003)   | (0.002)   |
| XX Earning per equity share (for discontinued & continuing operations)   |          |   |   |
| 1 BASIC (₹)  |          | (6.155)   | 1.571   |
| 2 DILUTED (₹)  |          | (6.155)   | 1.571   |
| <b>Corporate Information</b>   | 1        |   |   |
| <b>Significant Accounting Policies</b>   | 2        |   |   |
| <b>General Notes on Accounts</b>   | 39       |   |   |
| <b>The notes referred to above form an integral part of the Financial Statements.</b>  |          |   |   |

In terms of our report of even date attached.

For and on behalf of the Board of Directors

**For Chaturvedi & Co.**  
Chartered Accountants  
FRN 302137E

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

**Sukhen Kumar Bandyopadhyay**  
Director (Finance) & CFO  
(DIN : 08173882)

**Arun Kumar Shukla**  
Chairman and Managing Director & CEO  
(DIN : 03324672)

**CA R K NANDA**

Partner  
(M No. 510574)

Place : Kolkata

Dated : 21st July, 2020



Consolidated Statement of Changes in Equity for the year Ended 31<sup>st</sup> March 2020

Statement of Changes in Equity

A. Equity Share Capital

|  | Balance at the beginning of the reporting period 01.04.2018 | Changes in equity share capital during the year | Balance at the end of the reporting period 31.03.2019 |
|--|---|---|---|
|  | 46260.90  | -   | 46260.90  |

(₹ in lakh)

B. Other Equity

| Particulars   | General Reserve | Capital Reserve | Corporate Social Responsibility Reserve | Mine Closure Reserves | Currency Fluctuation Reserve | Retained Earnings | Total     |
|---|-----------------|-----------------|---|-----------------------|------------------------------|-------------------|-----------|
| Balance at the beginning of the reporting period 01.04.2018             | 8965.97         | 21166.24        | 22.78                                   | -                     | -                            | 76313.10          | 106468.09 |
| Dividends & Dividend Tax  | -               | -               | -                                       | -                     | -                            | (2788.50)         | (2788.50) |
| Profit for the Year After Tax - Atributable to Owners                   | -               | -               | -                                       | -                     | -                            | 14532.71          | 14532.71  |
| Profit for the Year After Tax - Atributable to Non Controlling Interest | -               | -               | -                                       | -                     | -                            | (6.45)            | (6.45)    |
| Other Comprehensive Income (net of tax)                                 | -               | -               | -                                       | -                     | -                            | (1090.47)         | (1090.47) |
| Amount addition during the year   | -               | -               | (22.78)                                 | 163.00                | 155.94                       | -                 | 318.94    |
| Amount used during the year   | -               | -               | -                                       | -                     | -                            | -                 | (22.78)   |
| Balance at the end of the reporting period 31.03.2019                   | 8965.97         | 21166.24        | -                                       | 163.00                | 155.94                       | 86960.39          | 117411.54 |

(₹ in lakh)

A. Equity Share Capital

|   | Changes in equity share capital during the year | Balance at the end of the reporting period 31.03.2020 |
|---|---|---|
| Balance at the beginning of the reporting period 01.04.2019 | -   | 46260.90  |

(₹ in lakh)

B. Other Equity

| Particulars   | General Reserve | Capital Reserve | Corporate Social Responsibility Reserve | Mine Closure Reserves | Currency Fluctuation Reserve | Retained Earnings | Total      |
|---|-----------------|-----------------|---|-----------------------|------------------------------|-------------------|------------|
| Balance at the beginning of the reporting period 01.04.2019             | 8965.97         | 21166.24        | -                                       | 163.00                | 155.94                       | 86960.39          | 117411.54  |
| Dividends & Dividend Tax  | -               | -               | -                                       | -                     | -                            | (5800.08)         | (5800.08)  |
| Profit for the Year After Tax - Atributable to Owners                   | -               | -               | -                                       | -                     | -                            | (56948.46)        | (56948.46) |
| Profit for the Year After Tax - Atributable to Non Controlling Interest | -               | -               | -                                       | -                     | -                            | -                 | -          |
| Other Comprehensive Income (net of tax)                                 | -               | -               | -                                       | -                     | -                            | (2245.67)         | (2245.67)  |
| Amount addition during the year   | -               | -               | -                                       | 75.00                 | (2764.59)                    | -                 | (2689.59)  |
| Amount used during the year   | -               | -               | -                                       | -                     | -                            | -                 | -          |
| Balance at the end of the reporting period 31.03.2020                   | 8965.97         | 21166.24        | -                                       | 238.00                | (2608.65)                    | 21966.18          | 49727.74   |

(₹ in lakh)

In terms of our report of even date attached.

For and on behalf of the Board of Directors

**For Chaturvedi & Co.**  
Chartered Accountants  
FRN 302137E

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

**Sukhen Kumar Bandyopadhyay**  
Director (Finance) & CFO  
(DIN : 08173882)

**Arun Kumar Shukla**  
Chairman and Managing Director & CEO  
(DIN : 03324672)

**CA R K NANDA**  
Partner  
(M No. 510574)

Place : Kolkata  
Dated : 21st July, 2020



## Consolidated Cash Flow Statement for the year Ended 31<sup>st</sup> March 2020

(₹ in lakh)

|   | For the year ended<br>31 <sup>st</sup> March 2020 | For the year ended<br>31 <sup>st</sup> March 2019 |
|---|---|---|
| <b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>                     |   |   |
| <b>NET PROFIT/ (LOSS) BEFORE TAX AS PER PROFIT AND LOSS ACCOUNT</b> | <b>(53756.84)</b>                                 | <b>23009.85</b>                                   |
| Adjusted for :  |   |   |
| Depreciation  | 3590.33   | 3662.30   |
| Provisions charged  | 18866.24  | 1900.97   |
| Provisions written back   | (2280.83)   | (1095.29)   |
| Interest expense  | 6041.89   | 5546.10   |
| Amortisation  | 25271.73  | 21627.10  |
| Interest income   | (1021.90)   | (334.49)  |
| Loss / (Profit) on disposal of fixed assets                         | 2.04  | (48.24)   |
| Share of Profit / (Loss) in Joint Venture                           | (27.64)   | -   |
| <b>OPERATING PROFIT/ (LOSS) BEFORE WORKING CAPITAL CHANGES</b>      | <b>(3314.98)</b>                                  | <b>54268.30</b>                                   |
| Adjusted for :  |   |   |
| Decrease/ (Increase) in Trade & other Receivables                   | 27921.74  | (28004.35)  |
| Decrease/ (Increase) in Inventories                                 | (5682.60)   | 14412.96  |
| Decrease/ (Increase) in Current & Non-Current assets                | (3781.12)   | (7008.79)   |
| Increase/ (Decrease) in Current & Non-Current Liabilities           | (2121.72)   | (2833.18)   |
| <b>CASH GENERATED FROM OPERATIONS</b>                               | <b>13021.32</b>                                   | <b>30834.94</b>                                   |
| Tax Refund received   | -   | 1106.54   |
| Taxes paid  | (4423.72)   | (6730.75)   |
| <b>NET CASH FROM OPERATING ACTIVITIES</b>                           | <b>(A) 8597.60</b>                                | <b>25210.73</b>                                   |
| <b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>                     |   |   |
| Purchase of Fixed Assets  | (22094.87)  | (40039.91)  |
| Sale of Fixed Assets  | 12.03   | 80.07   |
| Interest received   | 1015.68   | 415.71  |
| Advance for / (Recovery of advance) for Capital expenditure         | -   | 260.68  |
| Investment in Joint Venture   | (3.00)  | -   |
| <b>Mine Development Expenditure</b>                                 | <b>(B) (21913.69)</b>                             | <b>(19369.43)</b>                                 |
| <b>NET CASH USED IN INVESTING ACTIVITIES</b>                        | <b>(42983.85)</b>                                 | <b>(58652.88)</b>                                 |
| <b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>                       |   |   |
| Non-Current borrowings / (Loan repaid)                              | 15895.20  | 52669.68  |
| Dividends paid  | (4811.14)   | (2313.05)   |
| Tax on Dividend   | (988.94)  | (475.45)  |
| Interest paid   | (5895.91)   | (5422.90)   |
| Increase in Other Equity  | -   | 6.50  |
| <b>NET CASH USED IN FINANCING ACTIVITIES</b>                        | <b>(C) 4199.21</b>                                | <b>44464.78</b>                                   |
| <b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>                    | <b>(A+B+C) (30187.04)</b>                         | <b>11022.63</b>                                   |
| <b>CASH AND CASH EQUIVALENTS - opening balance</b>                  | <b>(38113.46)</b>                                 | <b>(49136.09)</b>                                 |
| <b>CASH AND CASH EQUIVALENTS - closing balance</b>                  | <b>(68300.50)</b>                                 | <b>(38113.46)</b>                                 |
| (details in Annexure - A)   |   |   |

In terms of our report of even date attached.

For and on behalf of the Board of Directors

**For Chaturvedi & Co.**  
Chartered Accountants  
FRN 302137E

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

**Sukhen Kumar Bandyopadhyay**  
Director (Finance) & CFO  
(DIN : 08173882)

**Arun Kumar Shukla**  
Chairman and Managing Director & CEO  
(DIN : 03324672)

**CA R K NANDA**  
Partner  
(M No. 510574)

Place : Kolkata  
Dated : 21st July, 2020



## Consolidated Cash Flow Statement for the year Ended 31<sup>st</sup> March 2020 (Contd...)

### ANNEXURE - A

|  | (₹ in lakh)              |                          |
|--|--------------------------|--------------------------|
|  | 01/04/2019               | 01/04/2018               |
| <b>1. CASH AND CASH EQUIVALENTS - opening balance</b>  |                          |                          |
| i) Current Financial Assets - Cash & Cash Equivalents (Note 13)  | 663.53                   | 879.67                   |
| ii) Current Financial Assets - Bank Balance other than above (Note 14)<br>(Excluding Unpaid Dividend of ₹15.86 Lakh) | 408.33                   | 379.16                   |
| iii) Current Financial Assets - Investments (Note 11)  | 8.85                     | 8.18                     |
| iv) Non-current Financial Assets - Others (Note 6)   | 12.47                    | 1.44                     |
| v) Current Financial Liabilities - Borrowings (Note 23)  | (39206.64)               | (50404.54)               |
|  | <b>(38113.46)</b>        | <b>(49136.09)</b>        |
| <b>CASH AND CASH EQUIVALENTS - closing balance</b>   | <b><u>31/03/2020</u></b> | <b><u>31/03/2019</u></b> |
| i) Current Financial Assets - Cash & Cash Equivalents (Note 13)  | 1134.86                  | 663.53                   |
| ii) Current Financial Assets - Bank Balance other than above (Note 14)<br>(Excluding Unpaid Dividend of ₹20.31 Lakh) | 432.21                   | 408.33                   |
| iii) Current Financial Assets - Investments (Note 11)  | 9.48                     | 8.85                     |
| iv) Non-current Financial Assets - Others (Note 6)   | 26.36                    | 12.47                    |
| v) Current Financial Liabilities - Borrowings (Note 23)  | (69903.41)               | (39206.64)               |
|  | <b>(68300.50)</b>        | <b>(38113.46)</b>        |

2. The Cash Flow Statement has been prepared as set out in Indian Accounting Standard (IND AS) 7 : STATEMENT OF CASH FLOWS, as amended by Companies (Indian Accounting Standards) (Amendment) Rules 2016.

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





### 1. Corporate Information

Hindustan Copper Limited, established in 1967 and domiciled in India is a Central public sector undertaking under the administrative control of Ministry of Mines, Government of India. The registered office of the Company is situated at Kolkata. The principal activities of the Company are exploration, exploitation, mining of copper and copper ore including beneficiation of minerals, smelting and refining. The Company has copper mines & concentrator plants in Malankhand Copper Project at Madhya Pradesh (MCP), Khetri Copper Complex at Rajasthan (KCC) and Indian Copper Complex, Ghatsila at Jharkhand (ICC). The Company is operating Smelter & Refinery in ICC and Gujarat Copper Project, Gujarat (GCP) for production of copper cathode. Further, cathode is converted into copper wire rod at Copper wire rod plant at Talaja Copper Project, Talaja, Maharashtra (TCP). The Company is listed with BSE Ltd. and National Stock Exchange of India Ltd.

Chhattisgarh Copper Limited (CCL), established on 21.05.2018 and domiciled in India, is a Joint Venture Company (JVC) formed between Hindustan Copper Limited (HCL) and Chhattisgarh Mineral Development Corporation (CMDC) for exploration, mining and beneficiation of copper and its associated minerals in the State of Chhattisgarh. Since HCL holds 74% equity in JVC, it is also a Subsidiary of HCL as per Section 2(87) of the Companies Act, 2013.

### 2. Significant Accounting Policies

#### 2.1 Basis of Accounting

The financial statements are prepared under historical cost convention from the books of accounts maintained under accrual basis except for certain financial instruments which are measured at fair value and in accordance with the Indian Accounting Standards prescribed under Companies Act, 2013.

#### 2.2 Basis of consolidation

##### 2.2.1 Subsidiaries

Subsidiaries are all entities over which the Company has control. The Company controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Company. They are deconsolidated from the date when control ceases.

The acquisition method of accounting is used to account for business combinations by the Company.

The Company combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, cash flows, income and expenses, Intercompany transactions, balances and unrealized gains on transactions between companies are eliminated.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively.

##### 2.2.2 Joint Ventures

Joint Ventures are those joint arrangements whereby the Company is having rights to the net assets of the arrangements. Interests in joint ventures are accounted for using the equity method, after initially being recognised at cost.

##### 2.2.3 Equity method

Under the equity method of accounting, the investments are initially recognized at cost and adjusted thereafter to recognize the Company's share of post-acquisition profit or losses of the investee in profit and loss, and the Company's share of Other Comprehensive Income of the investee in the Other Comprehensive Income.

#### 2.3 Application of Indian Accounting Standards (Ind-AS)

The Group adopted Indian Accounting Standards (Ind AS) from April 1, 2016 and accordingly the financial statements have been prepared in accordance with the recognition and measurement principles as notified by MCA under the Companies (Indian Accounting Standards) Rules, 2015 ("Ind AS Rules"), as amended and other relevant provisions of the Companies Act, 2013.

The Group has complied all the Ind AS as applicable and relevant to the Group.

#### 2.4 Use of Estimates

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying



disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. Revision to accounting estimates are recognised in the period on which the estimates are revised and, if material their effects are disclosed on the notes to the financial statements.

## 2.5 Current and Non-current Classification

The Group presents assets and liabilities in the Balance sheet based on current/non-current classification. An asset are treated as current by the Group when:

- a) its expects to realize the asset, or intends to sell or consume it in its normal operating cycle;
- b) it holds the assets primarily for the purpose of trading;
- c) it expects to realize the asset within twelve months after the reporting date; or
- d) the asset is cash or cash equivalent (as defined under Ind AS 7) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

Except the above, all other assets are classified as Non-current.

A liability is treated as current by the Group when:

- a) its expects to settle the liability realize the asset, or intends to sell or consume it in its normal operating cycle;
- b) it expects to settle the liability in its normal operating cycle;
- c) it holds the liability primarily for the purpose of trading;
- d) the liability is due to be settled within twelve months after the reporting period; or
- e) it does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Except the above, all other liabilities are classified as non-current.

## 2.6 Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable and fair value has been defined taking into account contractually defined terms of payment. Operating revenue recognized is net of all promotional expenses and discounts, rebates and/or any other incentive to customers.

### Sale of Products

An entity shall account for a sale contract with a customer only when all of the following criteria are met:

- (a) the parties to the contract have approved the contract (in writing, orally or in accordance with other customary business practices) and are committed to perform their respective obligations;
- (b) the entity can identify each party's rights regarding the goods to be transferred;
- (c) the entity can identify the payment terms for the goods to be transferred;
- (d) the contract has commercial substance i.e the risk, ownership, timing or amount of the entity's future cash flows etc is expected to change as a result of the contract; and
- (e) it is probable that the entity will collect the consideration to which it will be entitled in exchange for the goods that will be transferred to the customer.

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. This is as per consistent practice followed by the Group.

### Sale of Services

Income from conversion of job work is accounted for on the basis of actual quantity dispatched. When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction shall be recognized by reference to the stage of completion (Percentage of Completion Method) of the transaction at the end of the reporting period.

Advances received from the customers are reported as customer's deposits unless the above conditions for revenue recognition are met.



### Other Operating Revenues

- a. Sale of Scrap  
Sale of Scrap is accounted for on delivery of material.
- b. Interest from Customers  
In case of credit sales, interest up to the date of Balance Sheet on all outstanding bills is accounted for on accrual basis.
- c. Interest from Contractors against mobilisation advance for mining operations  
Interest up to the date of Balance Sheet on all mobilisation advances for mining operations is accounted for on accrual basis.
- d. Penalty and Liquidated Damages  
Penalty and liquidated damages are accounted for as and when these are realised by the company as per contract terms.

### Other Income

- a. Claims  
Claims are recognized in the Statement of Profit & Loss (Net of any payable) including receivables from Government towards subsidy, cash incentives, reimbursement of losses, etc, when there is certainty of realisation of such claim and that can be measured reliably.
- b. Dividend and Interest from Investments  
Dividend income from Investments is recognised in the Statement of Profit and Loss when the right to receive the dividend has been established and it is certain that the economic benefits will flow to the Group and the amount of income can be measured reliably.  
  
Interest Income from a financial asset is recognised using Effective Interest Method. When it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably.
- c. Profit on Sale of Investment  
Profit on sale of investment is recognised upon transfer of title by the Group and is determined as the difference between the sales price and the then carrying value of the investment.
- d. Provisions not required written back  
Provisions/Liabilities created from business activities in earlier years no longer required are accounted for.
- e. Others  
Any other income is recognised on accrual basis.

### 2.7 Employees Benefit

#### Retirement benefit costs and termination benefits

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognized in other comprehensive income in the period in which they occur. Re-measurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to Statement of Profit or Loss. Past service cost is recognized in Statement of Profit or Loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorized as follows:

- i. Service cost (including current service cost, past service cost, etc.);
- ii. Net interest expense or income; and
- iii. Re-measurement.

The Group presents the first two components of defined benefit costs in profit or loss in the line item 'employee benefits expense'.



The retirement benefit obligation recognized in the statement of financial position represents the actual deficit or surplus in the Group defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognized at the earlier of when the Group can no longer withdraw the offer of the termination benefit and when the Group recognises any related restructuring costs.

#### **Short-term and other long-term employee benefits**

A liability is recognized for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognized in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date.

#### **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.

### **2.8 Borrowing Cost**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest expenses calculated using the effective interest method and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs

### **2.9 Taxation**

Income tax expense represents the sum of current tax and deferred tax.

#### **Current tax**

The current tax payable is based on taxable profit for the year as determined from net profit before tax as represented in Statement of Profit and Loss and Other Comprehensive Income, in line with different provisions under Income Tax Act 1961. Current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

#### **Deferred tax**

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

#### **Current and Deferred Tax for the year**

Current and deferred tax are recognized in Statement of Profit or Loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.



### **2.10(a) Property Plant and Equipments (PPE)**

The cost of an item of PPE is recognized as an asset if and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The cost of an item of PPE is the cash price equivalent at the recognition date. The cost of an item of PPE comprises:

- i. Purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.
- ii. Costs directly attributable to bringing the PPE to the location and condition necessary for it to be capable of operating in the manner intended by management.
- iii. The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which the Group incurs either when the PPE is acquired or as a consequence of having used the PPE during a particular period for purposes other than to produce inventories during that period.

The Group has chosen the cost model of recognition and this model is applied to an entire class of PPE. After recognition as an asset, an item of PPE is carried at its cost less any accumulated depreciation and any accumulated impairment losses.

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.

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 incidentals to construction are capitalized allocating to various items of PPE on an appropriate basis. Expansion programme involving construction concurrently run with normal production activities in an existing unit, all direct capital expenditure in relation to such expansion are capitalized but indirect expenditure are charged to revenue. Borrowing costs that are attributable to the acquisition or construction of qualifying asset are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use.

Expenses incurred for implementation of new projects are carried forward against respective projects till execution. Expenses rendered in fructuous projects abandoned subsequently are provided for in the Statement of Profit & Loss.

Physical verification of PPE is conducted every year so that all the units/offices are covered once in a block of three years interval. Shortage/(Excesses), if any, identified on such physical verification is duly adjusted in the books of accounts in the year of identification.

### **Depreciation and Amortization**

The Group has used the exemption available in Ind AS 101 with respect to recognition of Plant, Property and Equipment (PPE) and Intangible Assets at their carrying value being deemed cost.

The depreciable amount of an item of PPE is allocated on a straight line basis over its useful life prescribed in Part C of Schedule II of the Companies Act, 2013 or actual useful life of assets assessed by the Technical Committee of the Group, whichever is lower. The residual value and the useful life of an asset are reviewed, at each financial year-end. Each part of an item of PPE with a cost that is significant in relation to the total cost of the item is depreciated separately. Depreciation on all such items have been provided from the date they are 'Put to Use' till the date of sale and includes amortization of intangible assets and lease hold assets. Freehold land is not depreciated. The residual value of all such items is taken at 5% of the original cost of individual asset.

An item of PPE is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Certain consumable items of small value whose useful life is very limited are directly charged to revenue in the year of purchase.

From the date Ind AS came into effect, the carrying amount of an asset is depreciated over the remaining useful life of the asset as per estimate of remaining useful life. Wherever, the remaining useful life of an asset is nil, the carrying amount is recognized in the opening balance of retained earnings after retaining the residual value.

### **2.10(b) Intangible Assets**

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition,



intangible assets are carried at cost less any accumulated amortisation (calculated on a straight-line basis over their useful lives) and accumulated impairment losses, if any.

Internally generated intangibles, excluding capitalised development costs, are not capitalised. Instead, the related expenditure is recognised in the statement of profit and loss and other comprehensive income in the period in which the expenditure is incurred. An internally generated intangible asset arising from development is recognized if all the conditions stipulated in “Ind AS 38-Intangible Asset” are met. The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss.

An intangible asset with an indefinite useful life is not amortised but is tested for impairment at each reporting date and its useful life is reviewed in each reporting period to determine whether events and circumstances continue to support an indefinite useful life estimate.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss.

Intangible Assets other than Software are amortized over estimated useful life which is equivalent to license period, generally not more than 5 years.

Cost of Software recognized as intangible asset, is amortised on straight line method over a period of legal right to use with a nil residual value. Otherwise the cost of software will be charged in the year of incurrence.

### **2.11 Capital Work in Progress**

Assets in the course of construction are included under capital work –in-progress and are carried at cost, less any recognized impairment loss. Such capital work-in-progress, on completion, is transferred to the appropriate category of property, plant and equipment.

### **2.12(a) Mine Development Expenditure**

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 depleted on the basis of ore raised during the year and the mineable ore reserves estimated from time to time.

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.

In respect of open cast mines : The expenditure on removal of waste and overburden, is capitalized and the same is depleted in relation to actual ore production during the year on the stripping ratio which is re-assessed periodically based on the estimated ore reserve as well as the quantity of waste excavation in respect of open cast mines. Subsequently, If any ore is reclaimed from overburden, the same is included in inventory at a value based on opening rate of mine development expenditure with a corresponding credit in Mine development expenditure.

Expenditure incurred on development of new deposits are capital in nature and is included in mine development expenditure. If subsequently the development activities are found to be not viable, the expenditure on such development work included in mine development expenditure is written off in the year in which it is decided to abandon the project.

If a working mine is closed due to economic reasons, the un-depleted value of 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 Group 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 Group will be depleting it year wise based on the estimated remaining life of that mine.

### **2.12(b) Mineral Exploration and Evaluation Expenditures**

#### **2.12(b)(i) Pre-exploration costs**

Pre-exploration costs are expensed in the period in which they are incurred.





**2.12(b) (ii) Exploration and Evaluation Assets (E & E Assets)**

Once the legal right to explore a property has been acquired, costs directly related to exploration and evaluation expenditures are recognized and capitalized, in addition to the acquisition costs. These direct expenditures include such costs as acquisition of rights to explore, materials used, topographical, geological, geochemical and geophysical evaluation, surveying costs, sampling, drilling costs, activities in relation to evaluation of technical feasibility and commercial viability of extracting a mineral resource, consultancy cost, payments made to contractors etc. during the exploration phase. Costs not directly attributable to exploration and evaluation activities are expensed in the period in which they occur.

Administrative and general overhead cost that are directly attributable to the assets are capitalized as E & E Assets.

E & E Assets may be tangible or intangible. To the extent that a tangible asset is consumed in developing an intangible asset, the amount reflecting that consumption may be part of the cost of the intangible asset created. However, the asset being used remains a tangible asset.

When a project is deemed to no longer have commercially viable prospects for the Group, exploration and evaluation expenditures in respect of that project are deemed to be impaired. As a result, those exploration and evaluation expenditure costs, in excess of estimated recoveries, are written off to Statement of Profit & Loss.

The Group assesses exploration and evaluation assets for impairment when facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount.

Once the technical feasibility and commercial viability of extracting the mineral resource has been determined, the property is considered to be a mine under development and is classified as “mines under construction”.

Exploration and evaluation Assets are also tested for impairment before the assets are transferred to development properties.

As the Group currently has not commenced commercial operations, any incidental revenues, including receipt of input tax credit receivables, earned in connection with exploration activities are applied as a reduction to capitalized exploration costs.

An impairment loss is reversed if there is an indication that there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognized.

**2.13 Overhauling Expenses**

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

**2.14 Mine Closure Expenditure & Decommissioning/Site restoration liability**

Financial implications towards final mine closure plans under relevant Acts and Rules are technically estimated and Mine Closure Reserve is created based on the estimated life of the mines over the period by charging the same to Statement of Profit and Loss.

**2.15 Non-Current Assets Held for Sale**

The Group classifies a non-current asset (or disposal group of assets) as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. Immediately before the initial classification of the asset (or disposal group) as held for sale, the carrying amounts of the asset (or all the assets and liabilities in the group) are to be measured in accordance with applicable Indian Accounting Standards. The sale should be expected to qualify for recognition as a completed sale within one year from the date of classification except as permitted by Ind AS 105.

**2.16 Inventories**

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.





Finished goods and work-in-process are valued at the lower of the net realizable value and weighted average cost to the unit. The cost is exclusive of financing cost, such as, interest, bank charges, administration overhead, etc. Ore is valued at cost since its realisable value cannot be ascertained. 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.

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.

The inventories out of inter-unit transfers (material in transit) at the close of the year are valued and accounted in the books of the transferor unit on the basis of cost plus transportation to the transferee unit or net realisable value whichever is lower.

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.

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 Property Plant and Equipments.

Physical verification of Semi-Finished and In-Process (WIP) and Finished Goods is conducted departmentally in all the units at reasonable intervals during the year by a duly approved committee. Also, physical stock verification of WIP and Finished Goods is undertaken by a duly approved committee at the end of every financial year alongwith an independent agency once in a block of three years. In respect of Stores and Spares, physical verification is carried out by external agencies once in every year covering all the units. Shortage/(Excesses), if any, identified on such physical verification is duly adjusted in the books of accounts in the year of identification

### **2.17 Government Grants**

All government grants are recognized as deferred income and it will be taken to Statement of Profit and Loss over the period of time in accordance with the pattern in which the obligations are met.

### **2.18 Impairment of Assets (Other than Financial Assets)**

The Group assesses at the end of each reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the Group estimates the recoverable amount of the asset. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in Statement of Profit and Loss, unless the relevant asset is carried at a revalue amount, in which case the impairment loss is treated as a revaluation decrease.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

### **2.19 Foreign Exchange Transactions**

Transactions in currencies other than the Group's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are re-translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.



Foreign currency monetary items (except overdue recoverable where realizability is uncertain) are converted using the closing rate as defined in the Ind AS-21- The effects of changes in Foreign Exchange Rates. Non-monetary items are reported using the exchange rate at the date of the transaction. The exchange difference gain/loss is recognized in the Statement of Profit and Loss.

In case of long term foreign currency monetary items outstanding as of 31<sup>st</sup> March 2016, liability in foreign currency loans relating to acquisition of fixed assets is converted using the closing rate as defined in Ind AS 21-The effects of changes in Foreign Exchange Rates and the difference in exchange is recognized in terms of exemptions given in paragraph D13AA of Appendix D to Ind AS-101, where the effect of exchange differences on foreign currency loans of the Group is accounted for by addition or deduction to the cost of the assets so far it relates to the depreciable capital assets and shall be depreciated over the balance life of the assets.

Other long term foreign currency monetary items are accumulated in 'Equity Component of Foreign Currency asset/liability Account' and amortized over the balance period of the asset/liability by recognition as income or expense in each of such periods as stated under Para 29A of Ind As 21.

## **2.20 Provisions, Contingent Liabilities & Contingent Assets**

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event and it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

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.

Contingent Assets are not recognised in the financial statements but are disclosed in Notes to the Accounts. Such assets occur when the inflow of economic benefits is probable. Such contingent assets are assessed continuously, if it's virtually certain that inflow of economic benefits will arise then such assets and the relative income will be recognised in the financial statements.

## **2.21 Leasing**

Assets held under lease, in which a significant portion of the risks and rewards of ownership are transferred to lessee are classified as finance leases. All other leases are classified as operating leases.

Depreciation expenses are recorded if asset held under finance lease is depreciable.

Finance expenses are recognized immediately in the statement of profit and loss if they are not directly attributable to qualifying assets, otherwise they are capitalised in accordance with the Group's general policy on borrowing costs.

Operating lease payments are recognized as an expense on a straight-line basis over the lease term.

## **2.22 Financial Instruments**

Non Derivative Financial Instruments

### **(i) Initial Recognition**

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.



**(ii) Subsequent Recognition**

a. Financial assets

Financial assets are subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss.

b. Financial Liabilities

Financial liabilities are subsequently measured at amortized cost using Effective Interest Rate (EIR) method except for derivatives, which are measured at fair value.

**Derivative Financial Instruments**

All derivatives are recognized and measured at fair value with changes in fair value being recognized in profit or loss for the period.

**Impairment of financial assets**

At each reporting date, assessment is made whether the credit risk on a financial instrument has increased significantly or not since initial recognition.

If the credit risk on a financial instrument has not increased significantly since initial recognition, the loss allowance is measured for that financial instrument at an amount equal to 12 month expected credit losses. If the credit risk on that financial instrument has increased significantly since initial recognition, the loss allowance is measured for a financial instrument at an amount equal to the lifetime expected credit losses.

The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date is recognised as an impairment gain or loss in the statement of profit and loss.

**2.23 Events Occurring after the Reporting Period**

The Group adjusts the amount recognized in its financial statements to reflect adjusting material events after the reporting period and does not adjust the amount to reflect non-adjusting events after the reporting period. However where retrospective restatement is not practicable for a particular prior period then the circumstances that lead to the existence of that condition and the description of how and from where the error is corrected are disclosed in Notes on Accounts.

**2.24 Dividends**

Final dividend on shares are recorded as a liability on the date of approval by the shareholders in general meeting and interim dividends are recorded as a liability on the date of declaration by the directors in the meeting of the Board of Directors.

**2.25 Cash and Cash Equivalents**

Cash and cash equivalent in the Balance Sheet comprise cash at bank and on hand and short term deposit with an original maturity of three months or less which are subject to insignificant risk of changes in value.

**2.26 Rounding of amounts**

Amounts in these financial statements have, unless otherwise indicated, have been rounded off to 'Rupees in lakh' upto two decimal points.

Note No. : 3 (A) Property, Plant and Equipment (Active Assets)

| DESCRIPTION  | Free Hold Land | Buildings including Sanitary and Water Supply System | Plant, Machinery and Mining Equipment | Furniture & Fixtures & Office Equipment | Vehicles      | Roads, Bridges and Culverts | Railway Siding | Electrical Equipment and Installation | Shafts and Inclines | Total           |
|--|----------------|--|---------------------------------------|---|---------------|-----------------------------|----------------|---------------------------------------|---------------------|-----------------|
| <b>Gross Carrying Amount</b>                                     |                |  |                                       |   |               |                             |                |                                       |                     |                 |
| Gross Carrying Amount as at 01.04.2018                           | 2446.58        | 6748.32  | 24190.42                              | 461.30                                  | 189.40        | 1826.38                     | 293.87         | 2675.57                               | 444.81              | 39276.65        |
| Additions  | -              | 285.97   | 2667.66                               | 50.82                                   | -             | -                           | -              | 88.85                                 | -                   | 3093.30         |
| Inter-head Transfer In/(Out)                                     | -              | (301.00)   | 337.90                                | (155.00)                                | -             | -                           | -              | 118.10                                | -                   | -               |
| Transfer From Discarded Assets                                   | -              | -  | 0.60                                  | -                                       | 0.20          | -                           | -              | -                                     | -                   | 0.80            |
| Transfer To Discarded Assets                                     | -              | (0.46)   | (1039.16)                             | (33.30)                                 | (19.26)       | -                           | -              | (4.11)                                | (0.60)              | (1096.89)       |
| Disposals  | -              | -  | (29.34)                               | (0.21)                                  | (2.11)        | -                           | -              | (0.17)                                | -                   | (31.83)         |
| Impairment Losses Prov. Trf to Discarded Assets                  | -              | -  | 464.01                                | -                                       | -             | -                           | -              | -                                     | -                   | 464.01          |
| Adjustments  | -              | (3.98)   | (4.03)                                | (0.14)                                  | 0.01          | 0.01                        | (0.01)         | (0.02)                                | -                   | (8.16)          |
| <b>Gross Carrying Amount as at 31.03.2019</b>                    | <b>2446.58</b> | <b>6728.85</b>                                       | <b>26588.06</b>                       | <b>323.47</b>                           | <b>168.24</b> | <b>1826.39</b>              | <b>293.86</b>  | <b>2878.22</b>                        | <b>444.21</b>       | <b>41697.88</b> |
| <b>Accumulated Depreciation &amp; Impairment</b>                 |                |  |                                       |   |               |                             |                |                                       |                     |                 |
| Accumulated Depreciation as at 01.04.2018                        | -              | 908.82   | 3787.36                               | 155.81                                  | 33.28         | 653.49                      | 65.34          | 444.83                                | 27.98               | 6076.91         |
| Depreciation charge during the year                              | -              | 526.38   | 2749.59                               | 59.95                                   | 30.62         | 333.90                      | 32.67          | 220.15                                | 13.99               | 3967.25         |
| Inter-head Transfer In/(Out)                                     | -              | 607.50   | (610.79)                              | (110.30)                                | -             | -                           | -              | 113.59                                | -                   | 0.00            |
| Transfer From Discarded Assets                                   | -              | -  | -                                     | -                                       | -             | -                           | -              | -                                     | -                   | -               |
| Transfer To Discarded Assets                                     | -              | -  | -                                     | -                                       | -             | -                           | -              | -                                     | -                   | -               |
| Impairment Losses  | -              | -  | -                                     | -                                       | -             | -                           | -              | -                                     | -                   | -               |
| Disposals  | -              | -  | -                                     | -                                       | -             | -                           | -              | -                                     | -                   | -               |
| <b>Accumulated Depreciaton &amp; Impairment as at 31.03.2019</b> | <b>-</b>       | <b>2042.70</b>                                       | <b>5926.16</b>                        | <b>105.46</b>                           | <b>63.90</b>  | <b>987.39</b>               | <b>98.01</b>   | <b>778.57</b>                         | <b>41.97</b>        | <b>10044.16</b> |
| <b>Net Carrying Amount as at 31.03.2019</b>                      | <b>2446.58</b> | <b>4686.15</b>                                       | <b>20661.90</b>                       | <b>218.01</b>                           | <b>104.34</b> | <b>839.00</b>               | <b>195.85</b>  | <b>2099.65</b>                        | <b>402.24</b>       | <b>31653.72</b> |
| <b>Gross Carrying Amount</b>                                     |                |  |                                       |   |               |                             |                |                                       |                     |                 |
| Gross Carrying Amount as at 01.04.2019                           | 2446.58        | 6728.85  | 26588.06                              | 323.47                                  | 168.24        | 1826.39                     | 293.86         | 2878.22                               | 444.21              | 41697.88        |
| Additions  | -              | 14.47  | 1,626.18                              | 84.29                                   | 57.73         | -                           | -              | 41.52                                 | -                   | 1,824.19        |
| Inter-head Transfer In/(Out)                                     | -              | -  | -                                     | -                                       | -             | -                           | -              | -                                     | -                   | -               |
| Transfer From Discarded Assets                                   | -              | -  | -                                     | -                                       | -             | -                           | -              | -                                     | -                   | -               |
| Transfer To Discarded Assets                                     | -              | -  | -                                     | -                                       | -             | -                           | -              | -                                     | -                   | -               |
| Disposals  | -              | -  | (13.59)                               | (0.01)                                  | (0.45)        | -                           | -              | (0.02)                                | -                   | (14.07)         |
| Impairment Losses Prov. Trf to Discarded Assets                  | -              | -  | -                                     | -                                       | -             | -                           | -              | -                                     | -                   | -               |
| Adjustments  | -              | -  | 0.58                                  | (0.01)                                  | -             | 0.01                        | -              | (0.01)                                | -                   | 0.57            |
| <b>Gross Carrying Amount as at 31.03.2020</b>                    | <b>2446.58</b> | <b>6743.32</b>                                       | <b>28201.23</b>                       | <b>407.74</b>                           | <b>225.52</b> | <b>1826.40</b>              | <b>293.86</b>  | <b>2919.71</b>                        | <b>444.21</b>       | <b>43508.57</b> |
| <b>Accumulated Depreciation &amp; Impairment</b>                 |                |  |                                       |   |               |                             |                |                                       |                     |                 |
| Accumulated Depreciation as at 01.04.2019                        | -              | 2042.70  | 5926.16                               | 105.46                                  | 63.90         | 987.39                      | 98.01          | 778.57                                | 41.97               | 10044.16        |
| Depreciation charge during the year                              | -              | 522.27   | 2846.05                               | 44.36                                   | 29.44         | 325.17                      | 32.67          | 222.95                                | 13.99               | 4036.90         |
| Inter-head Transfer In/(Out)                                     | -              | -  | -                                     | -                                       | -             | -                           | -              | -                                     | -                   | -               |
| Transfer From Discarded Assets                                   | -              | -  | -                                     | -                                       | -             | -                           | -              | -                                     | -                   | -               |
| Transfer To Discarded Assets                                     | -              | -  | -                                     | -                                       | -             | -                           | -              | -                                     | -                   | -               |
| Impairment Losses  | -              | -  | -                                     | -                                       | -             | -                           | -              | -                                     | -                   | -               |
| Disposals  | -              | 2564.97  | 8773.21                               | 149.82                                  | 93.34         | 1312.56                     | 130.68         | 1001.52                               | 55.96               | 14081.06        |
| <b>Accumulated Depreciaton &amp; Impairment as at 31.03.2020</b> | <b>-</b>       | <b>4178.35</b>                                       | <b>19429.02</b>                       | <b>257.93</b>                           | <b>132.18</b> | <b>513.84</b>               | <b>163.18</b>  | <b>1918.19</b>                        | <b>388.25</b>       | <b>29427.52</b> |
| <b>Net Carrying Amount as at 31.03.2020</b>                      | <b>2446.58</b> | <b>4178.35</b>                                       | <b>19429.02</b>                       | <b>257.93</b>                           | <b>132.18</b> | <b>513.84</b>               | <b>163.18</b>  | <b>1918.19</b>                        | <b>388.25</b>       | <b>29427.52</b> |

Note : HCL has used the exemption available in Ind AS 101 with respect to recognition of Property, Plant, Equipments (PPE) and Intangible Assets at their carrying value.



Note : 3 (B) Property, Plant and Equipment (Discarded Assets)

| DESCRIPTION   | Free Hold & Lease Hold Land | Buildings including Sanitary and Water Supply System | Plant, Machinery and Mining Equipment | Furniture & Fixtures & Office Equipment | Vehicles     | Roads, Bridges and Culverts | Railway Siding | Electrical Equipment and Installation | Shafts and Inclines | Total          |
|---|-----------------------------|--|---------------------------------------|---|--------------|-----------------------------|----------------|---------------------------------------|---------------------|----------------|
| <b>Gross Carrying Amount</b>                                      |                             |  |                                       |   |              |                             |                |                                       |                     |                |
| Gross Carrying Amount as at 01.04.2018                            | 3.64                        | 181.45   | 372.93                                | 6.26                                    | 4.03         | 24.93                       | -              | 58.17                                 | 91.70               | 743.11         |
| Additions   | -                           | -  | -                                     | -                                       | -            | -                           | -              | -                                     | -                   | -              |
| Inter-head Transfer In/(Out)                                      | -                           | -  | -                                     | -                                       | -            | -                           | -              | -                                     | -                   | -              |
| Transfer From Active Assets                                       | -                           | 0.46   | 1,039.16                              | 33.30                                   | 19.26        | -                           | -              | 4.11                                  | 0.60                | 1,096.89       |
| Transfer To Active Assets   | -                           | -  | (0.60)                                | -                                       | (0.20)       | -                           | -              | -                                     | -                   | (0.80)         |
| Disposals   | -                           | -  | (0.64)                                | -                                       | -            | -                           | -              | -                                     | -                   | (0.64)         |
| Impairment Losses   | -                           | -  | (464.01)                              | -                                       | -            | -                           | -              | -                                     | -                   | (464.01)       |
| Adjustments   | -                           | -  | -                                     | -                                       | -            | -                           | -              | -                                     | -                   | -              |
| <b>Gross Carrying Amount as at 31.03.2019</b>                     | <b>3.64</b>                 | <b>181.91</b>  | <b>946.84</b>                         | <b>39.56</b>                            | <b>23.09</b> | <b>24.93</b>                | <b>0.00</b>    | <b>62.28</b>                          | <b>92.30</b>        | <b>1374.55</b> |
| <b>Accumulated Depreciation &amp; Impairment</b>                  |                             |  |                                       |   |              |                             |                |                                       |                     |                |
| Accumulated Depreciation as at 01.04.2018                         | -                           | -  | -                                     | -                                       | -            | -                           | -              | -                                     | -                   | -              |
| Depreciation charge during the year                               | -                           | -  | -                                     | -                                       | -            | -                           | -              | -                                     | -                   | -              |
| Inter-head Transfer In/(Out)                                      | -                           | -  | -                                     | -                                       | -            | -                           | -              | -                                     | -                   | -              |
| Transfer From Discarded Assets                                    | -                           | -  | -                                     | -                                       | -            | -                           | -              | -                                     | -                   | -              |
| Transfer To Discarded Assets                                      | -                           | -  | -                                     | -                                       | -            | -                           | -              | -                                     | -                   | -              |
| Impairment Losses   | -                           | -  | -                                     | -                                       | -            | -                           | -              | -                                     | -                   | -              |
| Disposals   | -                           | -  | -                                     | -                                       | -            | -                           | -              | -                                     | -                   | -              |
| <b>Accumulated Depreciation &amp; Impairment as at 31.03.2019</b> | <b>-</b>                    | <b>-</b>   | <b>-</b>                              | <b>-</b>                                | <b>-</b>     | <b>-</b>                    | <b>-</b>       | <b>-</b>                              | <b>-</b>            | <b>-</b>       |
| <b>Net Carrying Amount as at 31.03.2019</b>                       | <b>3.64</b>                 | <b>181.91</b>  | <b>946.84</b>                         | <b>39.56</b>                            | <b>23.09</b> | <b>24.93</b>                | <b>-</b>       | <b>62.28</b>                          | <b>92.30</b>        | <b>1374.55</b> |
| Less Provisions for Discarded Assets                              | -                           | -  | -                                     | -                                       | -            | -                           | -              | -                                     | -                   | 1374.55        |
| <b>Net Carrying Amount (Net of Provisions) as at 31.03.2019</b>   | <b>-</b>                    | <b>-</b>   | <b>-</b>                              | <b>-</b>                                | <b>-</b>     | <b>-</b>                    | <b>-</b>       | <b>-</b>                              | <b>-</b>            | <b>-</b>       |
| <b>Gross Carrying Amount</b>                                      |                             |  |                                       |   |              |                             |                |                                       |                     |                |
| Gross Carrying Amount as at 01.04.2019                            | 3.64                        | 181.91   | 946.84                                | 39.56                                   | 23.09        | 24.93                       | -              | 62.28                                 | 92.30               | 1374.55        |
| Additions   | -                           | -  | -                                     | -                                       | -            | -                           | -              | -                                     | -                   | -              |
| Inter-head Transfer In/(Out)                                      | -                           | -  | -                                     | -                                       | -            | -                           | -              | -                                     | -                   | -              |
| Transfer From Active Assets                                       | -                           | -  | -                                     | -                                       | -            | -                           | -              | -                                     | -                   | -              |
| Transfer To Active Assets   | -                           | -  | -                                     | -                                       | -            | -                           | -              | -                                     | -                   | -              |
| Disposals   | -                           | -  | -                                     | -                                       | -            | -                           | -              | -                                     | -                   | -              |
| Impairment Losses   | -                           | -  | -                                     | -                                       | -            | -                           | -              | -                                     | -                   | -              |
| Adjustments   | -                           | -  | -                                     | -                                       | -            | -                           | -              | -                                     | -                   | -              |
| <b>Gross Carrying Amount as at 31.03.2020</b>                     | <b>3.64</b>                 | <b>181.91</b>  | <b>946.84</b>                         | <b>39.56</b>                            | <b>23.09</b> | <b>24.93</b>                | <b>0.00</b>    | <b>62.28</b>                          | <b>92.30</b>        | <b>1374.55</b> |
| <b>Accumulated Depreciation &amp; Impairment</b>                  |                             |  |                                       |   |              |                             |                |                                       |                     |                |
| Accumulated Depreciation as at 01.04.2019                         | -                           | -  | -                                     | -                                       | -            | -                           | -              | -                                     | -                   | -              |
| Depreciation charge during the year                               | -                           | -  | -                                     | -                                       | -            | -                           | -              | -                                     | -                   | -              |
| Inter-head Transfer In/(Out)                                      | -                           | -  | -                                     | -                                       | -            | -                           | -              | -                                     | -                   | -              |
| Transfer From Discarded Assets                                    | -                           | -  | -                                     | -                                       | -            | -                           | -              | -                                     | -                   | -              |
| Transfer To Discarded Assets                                      | -                           | -  | -                                     | -                                       | -            | -                           | -              | -                                     | -                   | -              |
| Impairment Losses   | -                           | -  | -                                     | -                                       | -            | -                           | -              | -                                     | -                   | -              |
| Disposals   | -                           | -  | -                                     | -                                       | -            | -                           | -              | -                                     | -                   | -              |
| <b>Accumulated Depreciation &amp; Impairment as at 31.03.2020</b> | <b>-</b>                    | <b>-</b>   | <b>-</b>                              | <b>-</b>                                | <b>-</b>     | <b>-</b>                    | <b>-</b>       | <b>-</b>                              | <b>-</b>            | <b>-</b>       |
| <b>Net Carrying Amount as at 31.03.2020</b>                       | <b>3.64</b>                 | <b>181.91</b>  | <b>946.84</b>                         | <b>39.56</b>                            | <b>23.09</b> | <b>24.93</b>                | <b>0.00</b>    | <b>62.28</b>                          | <b>92.30</b>        | <b>1374.55</b> |
| Less Provisions for Discarded Assets                              | -                           | -  | -                                     | -                                       | -            | -                           | -              | -                                     | -                   | 1374.55        |
| <b>Net Carrying Amount (Net of Provisions) as at 31.03.2020</b>   | <b>-</b>                    | <b>-</b>   | <b>-</b>                              | <b>-</b>                                | <b>-</b>     | <b>-</b>                    | <b>-</b>       | <b>-</b>                              | <b>-</b>            | <b>-</b>       |

Note : HCL has used the exemption available in Ind AS 101 with respect to recognition of Property, Plant, Equipments (PPE) and Intangible Assets at their carrying value.



Notes to Consolidated Financial Statements (Contd...)

(₹ in lakh)

| Particulars                                  | As at<br>31 <sup>st</sup> March, 2020 | As at<br>31 <sup>st</sup> March, 2019 |
|--|---------------------------------------|---------------------------------------|
| <b>Note No. 4 : CAPITAL WORK IN PROGRESS</b> |                                       |                                       |
| i) Building                                  | 163.27                                | 24.22                                 |
| ii) Plant & Machinery                        | 34389.11                              | 33836.57                              |
| iii) Others including Mine Expansion         | 92018.10                              | 72439.01                              |
|  | 126570.48                             | 106299.80                             |
| Less: Provision                              | 3392.91                               | 4088.49                               |
| <b>Total</b>                                 | <b>123177.57</b>                      | <b>102211.31</b>                      |

**Note No. 5 : NON - CURRENT FINANCIAL ASSETS - INVESTMENTS**

- i) Investments in equity instruments - (classified as at cost)  
A Joint Venture Company (JVC) named Khanij Bidesh India Limited (KABIL) was formed on 01.08.2019 among National Aluminium Company (NALCO), Hindustan Copper Limited (HCL) and Mineral Exported Corporations Limited (MECL)  
Investment in JV Company - Khanij Bidesh India Limited (KABIL) 3.00 -  
(Investment in KABIL 30,000 Nos. (Previous Year Nil) of equity shares of ₹10 (Previous Year ₹ Nil) each fully paid up as at 31.03.2020)

**Details of JVC**

| Principal Activity and place of incorporation   | Principal place of business | Proportion of ownership interest / voting rights held by the Company as on 31.03.2020 |
|---|-----------------------------|---|
| To identify, explore, acquire, develop, process primarily strategic minerals overseas for supply to India for meeting domestic requirements and for sale to any other countries for commercial use. | New Delhi                   | 30%   |

|  |             |            |
|--|-------------|------------|
| ii) Non Trade Investment in Debentures   | 0.17        | 0.17       |
| Less : Provision for diminution in value | 0.17        | 0.17       |
|  | -           | -          |
| <b>TOTAL</b>                             | <b>3.00</b> | <b>-</b>   |
| <b>AGGREGATE BOOK VALUE - UNQUOTED</b>   | <b>3.00</b> | <b>-</b>   |
| <b>AGGREGATE BOOK VALUE - QUOTED</b>     | <b>Nil</b>  | <b>Nil</b> |
| <b>MARKET PRICE OF QUOTED INVESTMENT</b> | <b>-</b>    | <b>-</b>   |

**Note No. 6 : NON - CURRENT FINANCIAL ASSETS - OTHERS**

|   |              |              |
|---|--------------|--------------|
| Bank deposits with more than 12 months maturity |              |              |
| - With scheduled banks                          | 26.36        | 12.47        |
| <b>Total</b>                                    | <b>26.36</b> | <b>12.47</b> |



Notes to Consolidated Financial Statements (Contd...)

(₹ in lakh)

| Particulars  | As at<br>31 <sup>st</sup> March, 2020 | As at<br>31 <sup>st</sup> March, 2019 |
|--|---------------------------------------|---------------------------------------|
| <b>Note No. 7 : DEFERRED TAX ASSETS (NET)</b>                  |                                       |                                       |
| <b>i) DEFERRED TAX ASSET</b>                                   |                                       |                                       |
| OPENING BALANCE  | 9243.90                               | 8780.81                               |
| Adjustment/Credit during the year                              | (3379.68)                             | 463.09                                |
| <b>CLOSING BALANCE</b>   | <b>5864.22</b>                        | <b>9243.90</b>                        |
| <b>ii) DEFERRED TAX LIABILITY</b>                              |                                       |                                       |
| OPENING BALANCE  | (2998.28)                             | (3203.10)                             |
| Adjustment/Credit during the year                              | 1083.85                               | 204.82                                |
| <b>CLOSING BALANCE</b>   | <b>(1914.43)</b>                      | <b>(2998.28)</b>                      |
| <b>i)-ii) DEFERRED TAX ASSETS / (LIABILITIES) (Net)</b>        | <b>3949.79</b>                        | <b>6245.62</b>                        |
| <b>iii) DEFINED BENEFIT PLANS</b>                              |                                       |                                       |
| OPENING BALANCE  | 585.74                                | -                                     |
| Adjustment/Credit during the year                              | 755.28                                | 585.74                                |
| <b>CLOSING BALANCE</b>   | <b>1341.02</b>                        | <b>585.74</b>                         |
| <b>DEFERRED TAX ASSETS / (LIABILITIES) (Net) including OCI</b> | <b>5290.81</b>                        | <b>6831.36</b>                        |
| (Refer Note No. 39 General Notes on Accounts Point No. 18)     |                                       |                                       |

**Note No. 8 : NON-CURRENT TAX ASSETS (NET)**

|  |               |               |
|--|---------------|---------------|
| Income Tax (including advance income tax, TDS & excluding current tax liability) Unsecured - Considered good | 689.82        | 620.33        |
| <b>TOTAL</b>   | <b>689.82</b> | <b>620.33</b> |





Notes to Consolidated Financial Statements (Contd...)

(₹ in lakh)

| Particulars   | As at<br>31 <sup>st</sup> March, 2020 | As at<br>31 <sup>st</sup> March, 2019 |
|---|---------------------------------------|---------------------------------------|
| <b>Note No. 9 : OTHER NON-CURRENT ASSETS</b>              |                                       |                                       |
| <b>a) MOBILISATION ADVANCES</b>                           |                                       |                                       |
| i) Secured (considered good)                              | 1632.12                               | 2178.89                               |
| ii) Unsecured (considered good)                           |                                       |                                       |
| – Against Bank Guarantee                                  | -                                     | -                                     |
| – Others  | -                                     | -                                     |
| iii) Unsecured (considered doubtful)                      | 0.02                                  | 0.02                                  |
| Less: Provisions for Capital Advances *                   | 0.02                                  | 0.02                                  |
| <b>b) Other Loans &amp; Advances</b>                      |                                       |                                       |
| Receivable from MPSEB                                     | -                                     | 828.53                                |
| <b>c) Mine Development Expenditure</b>                    |                                       |                                       |
| As per Last Balance Sheet                                 | 51115.82                              | 53068.54                              |
| Add: Expenditure during the Year (as per Note Below)      | 22505.21                              | 19898.22                              |
|   | 73621.03                              | 72966.76                              |
| Less: Value of Ore recovered during Mine Development      | 144.95                                | 223.84                                |
| Less: Amortisation during the Year                        | 25271.73                              | 21627.10                              |
|   | 48204.35                              | 51115.82                              |
| Less: Provision   | 4664.86                               | 4664.86                               |
| <b>Total</b>  | <b>43539.49</b>                       | <b>46450.96</b>                       |
| <b>Note: MINE DEVELOPMENT EXPENDITURE DURING THE YEAR</b> |                                       |                                       |
| i) Salaries, Wages, Allowances                            | 2655.31                               | 2182.50                               |
| ii) Contribution to Provident & Other Funds               | 211.43                                | 170.84                                |
| iii) Workmen & Staff Welfare Expenses                     | 9.68                                  | 9.03                                  |
| iv) Stores, Spares & Tools Consumed                       | 1963.75                               | 2369.33                               |
| v) Power, Fuel & Water                                    | 655.21                                | 475.32                                |
| vi) Royalty   | 11.03                                 | 16.10                                 |
| vii) Repair & Maintenance                                 | 4352.83                               | 4222.59                               |
| viii) Insurance   | 1.17                                  | 1.76                                  |
| ix) Overburden Removal Expenditure                        | 11275.24                              | 9711.09                               |
| x) Depreciation   | 446.57                                | 304.95                                |
| xi) Other Expenses  | 922.99                                | 434.71                                |
| <b>Total</b>  | <b>22505.21</b>                       | <b>19898.22</b>                       |

The above expenditure is in addition to the expenses shown under the respective natural head of accounts indicated and charged in the Statement of Profit and Loss 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 to Consolidated Financial Statements (Contd...)

(₹ in lakh)

| Particulars                              | As at<br>31 <sup>st</sup> March, 2020 | As at<br>31 <sup>st</sup> March, 2019 |
|--|---------------------------------------|---------------------------------------|
| d) Right to Use                          |                                       |                                       |
| Rent for Leasehold Land                  | 4097.67                               | 3810.40                               |
| <b>TOTAL</b>                             | <b>4097.67</b>                        | <b>3810.40</b>                        |
| <b>TOTAL (a+b+c+d)</b>                   | <b>49269.28</b>                       | <b>53268.78</b>                       |
| <b>PROVISIONS FOR CAPITAL ADVANCES *</b> |                                       |                                       |
| OPENING BALANCE                          | 0.02                                  | 0.02                                  |
| Additions during the year                | -                                     | -                                     |
| Amount used during the year              | -                                     | -                                     |
| <b>CLOSING BALANCE</b>                   | <b>0.02</b>                           | <b>0.02</b>                           |

**Note No. 10 : INVENTORIES**

|   |                 |                 |
|---|-----------------|-----------------|
| i) Raw Materials  | -               | -               |
| ii) Semi-Finished and In-Process (at lower of cost or net realisable value) | 64456.03        | 58249.42        |
| Less: Provision for Semi-Finished and In-Process*                           | 18454.83        | 46001.20        |
| iii) Finished Goods (at lower of cost or net realisable value)              | 83.00           | 123.03          |
| iv) Stores and spares   | 7646.10         | 7371.35         |
| Stores in transit/ pending inspection                                       | 603.30          | 309.03          |
|   | 8249.40         | 7680.38         |
| Less: Provision for Obsolete Stores & Spares **                             | 2350.88         | 5898.52         |
| <b>TOTAL</b>  | <b>51982.72</b> | <b>64366.77</b> |
| <b>PROVISION FOR SEMI-FINISHED AND IN-PROCESS*</b>                          |                 |                 |
| OPENING BALANCE   | 123.03          | 123.03          |
| Additions during the year   | 18331.80        | -               |
| Amount used during the year   | -               | -               |
| <b>CLOSING BALANCE</b>  | <b>18454.83</b> | <b>123.03</b>   |
| <b>PROVISION FOR OBSOLETE STORES &amp; SPARES **</b>                        |                 |                 |
| OPENING BALANCE   | 2616.03         | 2534.25         |
| Additions during the year   | 1.40            | 106.81          |
| Amount used during the year   | 266.55          | 25.03           |
| <b>CLOSING BALANCE</b>  | <b>2350.88</b>  | <b>2616.03</b>  |

(Refer Note No. 39 General Notes on Accounts Point No. 23)



Notes to Consolidated Financial Statements (Contd...)

(₹ in lakh)

| Particulars   |                      |                      | As at<br>31 <sup>st</sup> March, 2020 | As at<br>31 <sup>st</sup> March, 2019 |
|---|----------------------|----------------------|---------------------------------------|---------------------------------------|
| <b>Note No. 11 : CURRENT FINANCIAL ASSETS - INVESTMENTS</b>                             |                      |                      |                                       |                                       |
| Investments in Mutual Fund (Maturity within 3 months from date of original investments) | Number of units      | NAV (in ₹)           |                                       |                                       |
| UTI MONEY MARKET - GROWTH   | 51.736<br>(51.736)   | 2267.76<br>(2112.55) | 1.17                                  | 1.09                                  |
| SBI ULTRA SHORT TERM DEBT FUND - GROWTH   | 132.117<br>(132.117) | 4479.65<br>(4169.40) | 5.92                                  | 5.51                                  |
| CANARA REBECO LIQUID FUND - GROWTH  | 38.993<br>(38.993)   | 2389.98<br>(2258.68) | 0.93                                  | 0.88                                  |
| IDBI LIQUID FUND - GROWTH   | 68.469<br>(68.469)   | 2130.97<br>(2002.99) | 1.46                                  | 1.37                                  |
| <b>TOTAL</b>  |                      |                      | <b>9.48</b>                           | <b>8.85</b>                           |
| <b>AGGREGATE BOOK VALUE - UNQUOTED</b>  |                      |                      | <b>Nil</b>                            | <b>Nil</b>                            |
| <b>AGGREGATE BOOK VALUE - QUOTED</b>  |                      |                      | <b>7.84</b>                           | <b>7.84</b>                           |
| <b>MARKET PRICE OF QUOTED INVESTMENT</b>  |                      |                      | <b>9.48</b>                           | <b>8.85</b>                           |

**Note No. 12 : CURRENT FINANCIAL ASSETS - TRADE RECEIVABLES**

|  |  |                |                 |               |
|--|--|----------------|-----------------|---------------|
| <b>DEBTS OUTSTANDING</b>                         |  |                |                 |               |
| i) - Secured - Considered good                   |  | 8289.35        | 36154.83        |               |
| ii) - Unsecured - Considered good                |  | -              | -               |               |
| iii) - Considered doubtful                       |  | 886.51         | 942.77          |               |
|  |  | 9175.86        | 37097.60        |               |
| Less: Allowances for bad & doubtful debts *      |  | 886.51         | 942.77          | 36154.83      |
| <b>TOTAL</b>                                     |  | <b>8289.35</b> | <b>36154.83</b> |               |
| <b>ALLOWANCES FOR BAD &amp; DOUBTFUL DEBTS *</b> |  |                |                 |               |
| OPENING BALANCE                                  |  |                | 942.77          | 935.89        |
| Additions during the year                        |  |                | 0.31            | 22.46         |
| Amount used during the year                      |  |                | 56.57           | 15.58         |
| <b>CLOSING BALANCE</b>                           |  |                | <b>886.51</b>   | <b>942.77</b> |

**Explanatory Note: -**

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).



(₹ in lakh)

| Particulars   | As at<br>31 <sup>st</sup> March, 2020 | As at<br>31 <sup>st</sup> March, 2019 |
|---|---------------------------------------|---------------------------------------|
| <b>Note No. 13 : CURRENT FINANCIAL ASSETS - CASH &amp; CASH EQUIVALENTS</b> |                                       |                                       |
| <b>I. CASH AND CASH EQUIVALENTS</b>   |                                       |                                       |
| i. Cash on hand including imprest   | 0.25                                  | 0.25                                  |
| ii. Balance with Banks  |                                       |                                       |
| -Current Account  | 1134.61                               | 663.28                                |
| <b>II. OTHER BALANCES WITH BANK</b>   |                                       |                                       |
| Bank deposits upto 3 months maturity from date of original investment       |                                       |                                       |
| - With scheduled banks  | -                                     | -                                     |
| <b>Total</b>  | <b>1134.86</b>                        | <b>663.53</b>                         |

**Note No. 14 : CURRENT FINANCIAL ASSETS - BANK BALANCE OTHER THAN CASH & CASH EQUIVALENTS**

|   |               |               |
|---|---------------|---------------|
| I. Other Balances with Bank   |               |               |
| - In Dividend Balance Account   | 20.31         | 15.86         |
| II. Bank deposits with more than 3 months and upto 12 months maturity |               |               |
| - With scheduled banks  | 432.21        | 408.33        |
| <b>Total</b>  | <b>452.52</b> | <b>424.19</b> |

**Note No. 15 : CURRENT FINANCIAL ASSETS - OTHERS**

|   |                |                |         |
|---|----------------|----------------|---------|
| <b>a) ADVANCES*</b>                         |                |                |         |
| Employees                                   |                |                |         |
| - Secured (considered good)                 | 112.55         | 69.84          |         |
| - Unsecured (considered doubtful)           | 2.03           | 2.03           |         |
| Less : Provisions for doubtful Advances*    | 2.03           | 2.03           |         |
|   | 112.55         | 69.84          |         |
| <b>b) INTEREST ACCRUED ON</b>               |                |                |         |
| i) LC from Customers                        | -              | 0.78           |         |
| ii) Investments                             | 10.66          | 9.16           |         |
| iii) Deposits                               | 29.64          | 23.92          |         |
| iv) Others                                  | 0.36           | 0.58           | 34.44   |
| <b>c) CLAIMS RECOVERABLE</b>                |                |                |         |
| Claims recoverable from different agencies  | 2712.61        | 3308.75        |         |
| Less: Provision for Doubtful Claims **      | 179.41         | 133.10         | 3175.65 |
| <b>TOTAL (a+b+c)</b>                        | <b>2686.41</b> | <b>3279.93</b> |         |
| <b>DETAILS OF PROVISIONS</b>                |                |                |         |
| <b>"PROVISION FOR DOUBTFUL ADVANCES **"</b> |                |                |         |
| OPENING BALANCE                             | 2.03           | 2.03           |         |
| Additions during the year                   | -              | -              |         |
| Amount used during the year                 | -              | -              |         |
| <b>CLOSING BALANCE</b>                      | <b>2.03</b>    | <b>2.03</b>    |         |



Notes to Consolidated Financial Statements (Contd...)

(₹ in lakh)

| Particulars  | As at<br>31 <sup>st</sup> March, 2020 | As at<br>31 <sup>st</sup> March, 2019 |
|--|---------------------------------------|---------------------------------------|
| <b>"PROVISION FOR DOUBTFUL CLAIMS**"</b>   |                                       |                                       |
| OPENING BALANCE  | 133.10                                | 133.14                                |
| Additions during the year  | 46.31                                 | -                                     |
| Amount used during the year  | -                                     | 0.04                                  |
| <b>CLOSING BALANCE</b>   | <b>179.41</b>                         | <b>133.10</b>                         |
| <b>Explanatory Note: -</b>   |                                       |                                       |
| <b>PARTICULARS OF LOANS AND ADVANCES DUE FROM DIRECTORS</b>  |                                       |                                       |
| 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) |                                       |                                       |
| <b>Note No. 16 : CURRENT TAX ASSETS (Net)</b>  |                                       |                                       |
| Income Tax (including advance income tax, TDS & excluding current tax liability) Unsecured - Considered good   | 1845.39                               | -                                     |
| <b>Total</b>   | <b>1845.39</b>                        | <b>-</b>                              |
| <b>Note No. 17 : OTHER CURRENT ASSETS</b>  |                                       |                                       |
| <b>a) Advances to contractors / suppliers</b>  |                                       |                                       |
| - Secured (considered good)  | 239.21                                | 218.29                                |
| - Unsecured (considered good)  |                                       |                                       |
| – Against Bank Guarantee   | -                                     | -                                     |
| – Others   | 1127.08                               | 2099.84                               |
| - Unsecured (considered doubtful)  | 679.54                                | 723.33                                |
|  | 2045.83                               | 3041.46                               |
| <b>b) Other Advances</b>   |                                       |                                       |
| - secured (considered good)  | 50.90                                 | 50.90                                 |
| - Unsecured (considered doubtful)  | 13.93                                 | 13.93                                 |
|  | 64.83                                 | 64.83                                 |
|  | 2110.66                               | 3106.29                               |
| Less : Provision for Doubtful Loans and Advances *   | 693.47                                | 737.26                                |
|  | 1417.19                               | 2369.03                               |
| <b>c) Advance to JV-KABIL</b>  | 72.00                                 | -                                     |
| Add/(Less): Group Share of Profits/(Loss) in Jv/Associates upto 31.03.2020   | 27.64                                 | -                                     |
|  | 44.36                                 | -                                     |
| <b>d) DEPOSITS</b>   |                                       |                                       |
| Other Deposits   | 10136.08                              | 9392.51                               |
| Less : Provision for Doubtful Deposits **  | 75.56                                 | 75.56                                 |
|  | 10060.52                              | 9316.95                               |
| <b>e) OTHER CURRENT ASSETS</b>   |                                       |                                       |
| Other Current Assets   | 211.52                                | 277.33                                |
| Less: Provision for Other Current Assets ***   | 3.52                                  | 3.52                                  |
|  | 208.00                                | 273.81                                |



## Notes to Consolidated Financial Statements (Contd...)

(₹ in lakh)

| Particulars                                       | As at<br>31 <sup>st</sup> March, 2020 | As at<br>31 <sup>st</sup> March, 2019 |
|---|---------------------------------------|---------------------------------------|
| <b>f) OTHER RECOVERABLES</b>                      |                                       |                                       |
| IGST/CGST & SGST                                  | 25554.81                              | 20002.22                              |
| <b>g) RIGHT TO USE</b>                            |                                       |                                       |
| Rent for Leasehold Land                           | 206.61                                | 141.29                                |
| <b>TOTAL</b>                                      | <b>37491.49</b>                       | <b>32103.30</b>                       |
| <b>DETAILS OF PROVISIONS</b>                      |                                       |                                       |
| <b>PROVISION FOR DOUBTFUL LOANS AND ADVANCES*</b> |                                       |                                       |
| OPENING BALANCE                                   | 737.26                                | 728.63                                |
| Additions during the year                         | 2.52                                  | 8.63                                  |
| Amount used during the year                       | 46.31                                 | -                                     |
| <b>CLOSING BALANCE</b>                            | <b>693.47</b>                         | <b>737.26</b>                         |
| <b>PROVISIONS FOR DEPOSITS **</b>                 |                                       |                                       |
| OPENING BALANCE                                   | 75.56                                 | 75.56                                 |
| Additions during the year                         | -                                     | -                                     |
| Amount used during the year                       | -                                     | -                                     |
| <b>CLOSING BALANCE</b>                            | <b>75.56</b>                          | <b>75.56</b>                          |
| <b>PROVISION FOR OTHER CURRENT ASSETS ***</b>     |                                       |                                       |
| OPENING BALANCE                                   | 3.52                                  | 3.52                                  |
| Additions during the year                         | -                                     | -                                     |
| Amount used during the year                       | -                                     | -                                     |
| <b>CLOSING BALANCE</b>                            | <b>3.52</b>                           | <b>3.52</b>                           |



(₹ in lakh)

| PARTICULARS  | As at 31 <sup>st</sup> March, 2020 |                    | As at 31 <sup>st</sup> March, 2019 |                    |
|--|------------------------------------|--------------------|------------------------------------|--------------------|
|  | In No.                             | (₹ in lakh)        | In No.                             | (₹ in lakh)        |
| <b>Note No. 18 : EQUITY SHARE CAPITAL</b>  |                                    |                    |                                    |                    |
| <b>a) AUTHORISED SHARE CAPITAL</b>   |                                    |                    |                                    |                    |
| - Equity Share Capital   | 1800000000                         | 90000.00           | 1800000000                         | 90000.00           |
| - 7.50% Non-Cum. Redeemable Preference Shares  | 2000000                            | 20000.00           | 2000000                            | 20000.00           |
| <b>b) PAR VALUE PER EQUITY SHARE (in ₹)</b>  |                                    | 5.00               |                                    | 5.00               |
| <b>c) PAR VALUE PER PREFERENCE SHARE (in ₹)</b>  |                                    | 1000.00            |                                    | 1000.00            |
| <b>d) NO. OF SHARES ISSUED, SUBSCRIBED AND FULLY PAID UP</b>   |                                    |                    |                                    |                    |
| - Equity Share Capital   | 925218000                          | 46260.90           | 925218000                          | 46260.90           |
| - 7.50% Non-Cum. Redeemable Preference Shares  | -                                  | -                  | -                                  | -                  |
| <b>Total</b>   |                                    | <b>46260.90</b>    |                                    | <b>46260.90</b>    |
| <b>e) RECONCILIATION OF NO. OF SHARES &amp; SHARE CAPITAL</b>  |                                    |                    |                                    |                    |
| <b>OUTSTANDING:</b>  | <b>No. of Shares</b>               | <b>(₹ in lakh)</b> | <b>No. of Shares</b>               | <b>(₹ in lakh)</b> |
| <b>OUTSTANDING AS ON 01.04.2019</b>  | 925218000                          | 46260.90           | 925218000                          | 46260.90           |
| Add: Share Capital issued/ subscribed during the year  | -                                  | -                  | -                                  | -                  |
| Less: Reduction in Share Capital   | -                                  | -                  | -                                  | -                  |
| <b>OUTSTANDING AS ON 31.03.2020</b>  | <b>925218000</b>                   | <b>46260.90</b>    | <b>925218000</b>                   | <b>46260.90</b>    |
| <b>f) TERMS/RIGHTS ATTACHED TO EQUITY SHARES</b>   |                                    |                    |                                    |                    |
| The Company has only one class of Equity Shares having par value of ₹5/- each and is entitled to one vote per share. |                                    |                    |                                    |                    |
| <b>g) SHARES IN THE COMPANY HELD BY EACH SHAREHOLDER</b>   |                                    |                    |                                    |                    |
| <b>HOLDING MORE THAN 5 PERCENT OF THE NUMBER OF SHARES</b>   | <b>In No.</b>                      | <b>In (%)</b>      | <b>In No.</b>                      | <b>In (%)</b>      |
| - President of India   | 703587852                          | 76.05%             | 703587852                          | 76.05%             |
| - Life Insurance Corporation of India  | 105685666                          | 11.42%             | 112338152                          | 12.14%             |
| <b>For Subsidiary</b>  |                                    |                    |                                    |                    |
| - HCL  | 185000                             | 74.00%             | 185000                             | 74.00%             |
| - CMDC LTD   | 65000                              | 26.00%             | 65000                              | 26.00%             |





(₹ in lakh)

| Particulars   | As at                        |                              |
|---|------------------------------|------------------------------|
|   | 31 <sup>st</sup> March, 2020 | 31 <sup>st</sup> March, 2019 |
| <b>Note No. 19 : OTHER EQUITY</b>   |                              |                              |
| a) <b>CAPITAL RESERVE *</b>   |                              |                              |
| AS PER LAST BALANCE SHEET   | 21166.24                     | 21166.24                     |
| b) <b>GENERAL RESERVE</b>   |                              |                              |
| AS PER LAST BALANCE SHEET   | 8965.97                      | 8965.97                      |
| c) <b>CORPORATE SOCIAL RESPONSIBILITY FUND</b>  |                              |                              |
| AS PER LAST BALANCE SHEET   | -                            | 22.78                        |
| Add: During the year  | -                            | -                            |
| Less: Amount reversed during the year   | -                            | -                            |
| Less: Amount used during the year   | -                            | 22.78                        |
| AS AT BALANCE SHEET DATE  | -                            | -                            |
| d) <b>MINE CLOSURE RESERVE</b>  |                              |                              |
| AS PER LAST BALANCE SHEET   | 163.00                       | -                            |
| Add: During the year  | 75.00                        | 163.00                       |
| Less: Amount reversed during the year   | -                            | -                            |
| Less: Amount used during the year   | -                            | -                            |
| AS AT BALANCE SHEET DATE  | 238.00                       | 163.00                       |
| e) <b>CURRENCY FLUCTUATION RESERVE **</b>   |                              |                              |
| AS AT BALANCE SHEET DATE  | 155.94                       | -                            |
| Add: Equity Component of Foreign Currency Loan  | (2764.59)                    | 155.94                       |
| Less: Amount reversed during the year   | -                            | -                            |
| Less: Amount used during the year   | -                            | -                            |
| AS AT BALANCE SHEET DATE  | (2608.65)                    | 155.94                       |
| f) <b>RETAINED EARNING ***</b>  | 21972.63                     | 86966.84                     |
| <b>Total</b>  | <b>49734.19</b>              | <b>117417.99</b>             |
| <b>Details of Retained Earning ***</b>  |                              |                              |
| Profit /(Loss) for the period after tax as per statement of Profit and Loss               | (56920.82)                   | 14526.26                     |
| Add/(Less): Group Share of Profits/(Loss) in Jv/ Associates                               | (27.64)                      | -                            |
| Less : Profit /(Loss) for the period after tax - Attributable to Non Controlling Interest | -                            | (6.45)                       |
| Profit /(Loss) for the period after tax - Attributable to Owners                          | (56948.46)                   | 14532.71                     |
| Other Comprehensive Income /(Loss) as per Statement of Profit and Loss (net of tax)       | (2245.67)                    | (1090.47)                    |
| Total Comprehensive Income /(Loss) for the period   | (59194.13)                   | 13435.79                     |
| Total Comprehensive Income for the period- Attributable to Owners                         | (59194.13)                   | 13442.24                     |
| Balance brought forward   | 86966.84                     | 76313.10                     |
| <b>BALANCE AVAILABLE FOR APPROPRIATION</b>  | <b>27772.71</b>              | <b>89755.34</b>              |
| i) Less :Dividend   | 4811.14                      | 2313.05                      |
| ii) Less :Tax on Dividend   | 988.94                       | 475.45                       |
| <b>BALANCE CARRIED FORWARD</b>  | <b>21972.63</b>              | <b>86966.84</b>              |

\* Capital Reserve is created from the Grant received from the Government of India during the approval of Financial Re-structuring proposal by Ministry of Mines and out of Capital Profits over the years. This Reserve is not created out of Revenue Profits of the Company.

\*\* Currency Fluctuation Reserve is not created out of Revenue Profits of the Company.



Notes to Consolidated Financial Statements (Contd...)

(₹ in lakh)

| Particulars | As at<br>31 <sup>st</sup> March, 2020 | As at<br>31 <sup>st</sup> March, 2019 |
|-------------|---------------------------------------|---------------------------------------|
|-------------|---------------------------------------|---------------------------------------|

**Note No. 20 : NON-CURRENT FINANCIAL LIABILITIES - BORROWINGS**

LONG TERM LOANS

• From Banks/ FIs

- Secured

- EXIM Bank (Loan I)

-

5443.02

First charge over the entire movable Fixed Asset of Gujarat

Coppr project, both present and future

(The title deeds for Freehold and Leasehold Land and Building acquired in respect of Gujarat Copper Project are yet to be executed. Pending the same, the title deeds of land of TCP has been submitted as an alternate security over which no hypothecation has been created.)

- EXIM Bank (Loan II)

22647.53

28215.21

(First pari-passu charge on movable fixed assets, both present and future of the Company, excluding GCP and TCP)

- SBI

18975.00

17407.50

(First pari-passu charge on immovable fixed assets of the Company located at MCP, both present and future, excluding leasehold land/property)

- UBI

9800.00

-

(First pari-passu charge on immovable fixed assets of the Company located at MCP, both present and future, excluding leasehold land/property)

- HDFC

9500.00

-

(First pari-passu charge on immovable fixed assets of the Company located at MCP, both present and future, excluding leasehold land/property)

- AXIS

2695.00

-

(First pari-passu charge on immovable fixed assets of the Company located at MCP, both present and future, excluding leasehold land/property)

- Unsecured

- Axis Bank

-

6000.00

**Total**

**63617.53**

**57065.73**

**Note No. 21 : NON-CURRENT FINANCIAL LIABILITIES - OTHERS**

Others (Compensation received from Govt of Jharkhand for repair of township)

843.53

843.53

**TOTAL**

**843.53**

**843.53**



Notes to Consolidated Financial Statements (Contd...)

(₹ in lakh)

| PARTICULARS                                     | As at 31 <sup>st</sup> March, 2020 | As at 31 <sup>st</sup> March, 2019 |
|---|------------------------------------|------------------------------------|
| <b>Note No. 22 : NON - CURRENT - PROVISIONS</b> |                                    |                                    |
| <b>PROVISION FOR EMPLOYEE BENEFITS</b>          |                                    |                                    |
| <b>i) PROVISION FOR LEAVE ENCASHMENT</b>        |                                    |                                    |
| AS PER LAST BALANCE SHEET                       | 10920.32                           | 11930.19                           |
| Additions during the year                       | -                                  | -                                  |
| Amount used during the year                     | 1887.66                            | 1009.87                            |
| <b>CLOSING BALANCE</b>                          | <b>9032.66</b>                     | <b>10920.32</b>                    |
| <b>ii) PROVISION FOR GRATUITY</b>               |                                    |                                    |
| AS PER LAST BALANCE SHEET                       | (5448.73)                          | (3743.46)                          |
| Additions during the year                       | 2982.00                            | 1094.73                            |
| Amount used/funded during the year              | 0.00                               | 2800.00                            |
| <b>CLOSING BALANCE</b>                          | <b>(2466.73)</b>                   | <b>(5448.73)</b>                   |
| <b>Total</b>                                    | <b>6565.93</b>                     | <b>5471.59</b>                     |

(Refer Note No. 39 General Notes on Accounts Point No. 20)

**Note No. 23 : CURRENT FINANCIAL LIABILITIES - BORROWINGS**

**SHORT TERM LOANS**

|   |          |          |
|---|----------|----------|
| - Cash Credit- From Banks/ FIs  | 13603.41 | 16503.81 |
| - WCDL- From Banks/ FIs   | 16300.00 | -        |
| - Secured (Secured by hypothecation of Stock-in-Trade, Stores & Spare Parts and Book Debts, both present and future of the Company) |          |          |
| - Working Capital Term Loan (Unsecured)   |          |          |
| - Axis Bank   | 22000.00 | 9702.84  |
| - Kotak Mahindra Bank   | 5000.00  | -        |
| - HDFC Bank   | 10500.00 | 13000.00 |
| - IOB   | 1250.00  | -        |
| - UBI   | 1250.00  | -        |

**LONG TERM LOANS**

|                       |         |         |
|-----------------------|---------|---------|
| • Due in next 1 year  |         |         |
| - EXIM Bank (Loan I)  | 5933.16 | 5443.04 |
| - EXIM Bank (Loan II) | 8108.39 | 1795.51 |
| - Axis Bank           | 8105.00 | 3500.00 |
| - HDFC Bank           | 500.00  | -       |
| - UBI Bank            | 200.00  | -       |

|              |                 |                 |
|--------------|-----------------|-----------------|
| <b>Total</b> | <b>92749.96</b> | <b>49945.20</b> |
|--------------|-----------------|-----------------|

**Note No. 24 : CURRENT FINANCIAL LIABILITIES - TRADE PAYABLE**

|  |                 |                 |
|--|-----------------|-----------------|
| i) Total outstanding dues of micro enterprises and small enterprises                       | 961.60          | 535.45          |
| ii) Total outstanding dues of creditors other than micro enterprises and small enterprises | 22412.82        | 19693.63        |
| <b>Total</b>   | <b>23374.42</b> | <b>20229.08</b> |



Notes to Consolidated Financial Statements (Contd...)

(₹ in lakh)

| Particulars | As at                        |                              |
|-------------|------------------------------|------------------------------|
|             | 31 <sup>st</sup> March, 2020 | 31 <sup>st</sup> March, 2019 |

**Note No. 25 : CURRENT FINANCIAL LIABILITIES - OTHERS**

(₹ in lakh)

| Particulars  | As at                        |                              |
|--|------------------------------|------------------------------|
|  | 31 <sup>st</sup> March, 2020 | 31 <sup>st</sup> March, 2019 |
| i) Interest accrued but not due on borrowings & term loans | 505.95                       | 359.97                       |
| ii) Unpaid dividend  | 20.31                        | 15.86                        |
| iii) Deposits/ Retention money                             | 6361.34                      | 5885.05                      |
| iv) Other liabilities                                      | 1694.61                      | 1339.49                      |
| <b>Total</b>   | <b>8582.21</b>               | <b>7600.37</b>               |

**Note No. 26 : OTHER CURRENT LIABILITIES**

|                             |                 |                 |
|-----------------------------|-----------------|-----------------|
| i) Statutory dues payables  | 5763.29         | 4665.09         |
| ii) Advances from Customers | 3105.82         | 1977.75         |
| iii) Other Liabilities      | 8115.70         | 12241.10        |
| <b>Total</b>                | <b>16984.81</b> | <b>18883.94</b> |

**Note No. 27 : CURRENT - PROVISIONS**

|   |                  |           |                  |
|---|------------------|-----------|------------------|
| <b>a) PROVISION FOR EMPLOYEE BENEFITS</b>               |                  |           |                  |
| <b>i) PROVISION FOR LEAVE ENCASHMENT</b>                |                  |           |                  |
| AS PER LAST BALANCE SHEET                               | 1980.85          | 741.60    |                  |
| Additions during the year                               | -                | 1239.25   |                  |
| Amount used during the year                             | 386.97           | -         |                  |
| <b>CLOSING BALANCE</b>                                  | <b>1593.88</b>   |           | <b>1980.85</b>   |
| <b>ii) PROVISION FOR GRATUITY</b>                       |                  |           |                  |
| AS PER LAST BALANCE SHEET                               | (2860.89)        | (3513.13) |                  |
| Additions during the year                               | 29.48            | 652.24    |                  |
| Amount used during the year                             | -                | -         |                  |
| <b>CLOSING BALANCE</b>                                  | <b>(2831.41)</b> |           | <b>(2860.89)</b> |
| <b>iii) PROVISION FOR LEAVE TRAVEL CONCESSION (LTC)</b> |                  |           |                  |
| AS PER LAST BALANCE SHEET                               | 171.93           | 139.11    |                  |
| Additions during the year                               | 26.10            | 32.82     |                  |
| Amount used during the year                             | -                | -         |                  |
| <b>CLOSING BALANCE</b>                                  | <b>198.03</b>    |           | <b>171.93</b>    |
| <b>iv) PROVISION FOR PRP/INCENTIVE</b>                  |                  |           |                  |
| AS PER LAST BALANCE SHEET                               | 1727.00          | 882.00    |                  |
| Additions during the year                               | -                | 1145.00   |                  |
| Amount used during the year                             | 582.00           | 300.00    |                  |
| <b>CLOSING BALANCE</b>                                  | <b>1145.00</b>   |           | <b>1727.00</b>   |
| <b>v) PROVISION FOR WAGE REVISION</b>                   |                  |           |                  |
| AS PER LAST BALANCE SHEET                               | 4258.27          | 5621.17   |                  |
| Additions during the year                               | -                | -         |                  |



## Notes to Consolidated Financial Statements (Contd...)

(₹ in lakh)

| PARTICULARS   | As at 31 <sup>st</sup> March, 2020 | As at 31 <sup>st</sup> March, 2019 |
|---|------------------------------------|------------------------------------|
| Amount used during the year                                     | 2379.40                            | 1362.90                            |
| <b>CLOSING BALANCE</b>  | <b>1878.87</b>                     | <b>4258.27</b>                     |
| <b>b) OTHERS</b>  |                                    |                                    |
| <b>i) DIVIDEND</b>  |                                    |                                    |
| AS PER LAST BALANCE SHEET                                       | -                                  | -                                  |
| Additions during the year                                       | 4811.14                            | 2313.05                            |
| Amount used during the year                                     | 4811.14                            | 2313.05                            |
| <b>CLOSING BALANCE</b>  | <b>-</b>                           | <b>-</b>                           |
| <b>ii) TAX ON DIVIDEND</b>                                      |                                    |                                    |
| AS PER LAST BALANCE SHEET                                       | -                                  | -                                  |
| Additions during the year                                       | 988.94                             | 475.45                             |
| Amount used during the year                                     | 988.94                             | 475.45                             |
| <b>CLOSING BALANCE</b>  | <b>-</b>                           | <b>-</b>                           |
| <b>iii) PROVISION - OTHERS</b>                                  |                                    |                                    |
| AS PER LAST BALANCE SHEET                                       | 1019.87                            | 1366.75                            |
| Additions during the year                                       | 329.76                             | 33.59                              |
| Amount used during the year                                     | 270.96                             | 380.47                             |
| <b>CLOSING BALANCE</b>  | <b>1078.67</b>                     | <b>1019.87</b>                     |
| <b>Total</b>  | <b>3063.04</b>                     | <b>6297.03</b>                     |
| (Refer Note No. 39 General Notes on Accounts Point No. 19 & 20) |                                    |                                    |

**Note No. 28 : CURRENT TAX LIABILITIES (Net)**

|  |          |                |
|--|----------|----------------|
| Additions during the year                          | -        | 8644.62        |
| Less : Refund pertaining to earlier years          | -        | 310.58         |
| Less : Advance Income Tax & TDS                    | -        | 6750.08        |
| Current Tax Liabilities (Net of Advance Tax & TDS) | <b>-</b> | <b>1583.96</b> |



Notes to Consolidated Financial Statements (Contd...)

(₹ in lakh)

| PARTICULARS  | For the year ended<br>31 <sup>st</sup> March, 2020 | For the year ended<br>31 <sup>st</sup> March, 2019 |
|--|--|--|
| <b>Note No. 29 : REVENUE FROM OPERATIONS</b>   |  |  |
| <b>SALE OF PRODUCTS</b>  |  |  |
| - Domestic   | 34187.32   | 91076.52   |
| - Export   | 46129.33   | 84267.33   |
|  | 80316.65   | 175343.85  |
| Less : Discount & Rebate   | -  | 14.55  |
| <b>SALES (Net of Discounts) (A)</b>  | <b>80316.65</b>                                    | <b>175329.30</b>                                   |
| <b>SALE OF SERVICES (B)</b>  | <b>310.79</b>                                      | <b>455.70</b>                                      |
| <b>OTHER OPERATING INCOME (C)</b>  |  |  |
| -Sale of Scrap   | 329.54   | 987.36   |
| -Interest from Customers   | 116.11   | 246.35   |
| -Interest from Contractors against mobilization advances for mining operations               | 252.49   | 262.80   |
| - Penalty & Liquidated Damages   | 1920.36  | 1752.00  |
| Less : Refunded during the year  | 60.69  | 203.57   |
| -Excess Electricity Charges earlier paid adjusted by MPSEB against current Electricity bills | -  | 2795.78  |
| <b>TOTAL (C)</b>   | <b>2557.81</b>                                     | <b>5840.72</b>                                     |
| <b>TOTAL (A+B+C)</b>   | <b>83185.25</b>                                    | <b>181625.72</b>                                   |

**Note No. 30 : OTHER INCOME**

|   |                |                |
|---|----------------|----------------|
| - Claims Received   | 8.80           | 10.44          |
| - Interest from Term Deposits   | 29.63          | 96.62          |
| - Interest - Others   | 992.27         | 237.87         |
| - Profit on sale of Assets  | -              | 48.24          |
| - Profit on Fair Value of Investment  | 0.63           | 0.67           |
| - Others  | 2384.06        | 2176.74        |
| - Provisions not required written back #  | 2280.83        | 1095.29        |
| <b>Total</b>  | <b>5696.22</b> | <b>3665.87</b> |
| <b>Details of Provisions not required written back #<br/>(Refer Note No.39 General Notes on Accounts Point No.11)</b> |                |                |
| Bad and doubtful Debts, advances/deposits & claims  | 56.57          | 16.56          |
| Excess provisions on account of shortage, non-moving, obsolete & insurance Stores & Spares and finished goods (net)   | 266.54         | 26.93          |
| Provision for Discarded Assets no longer required   | -              | 1.16           |
| Prov Written back for feasibility study of Concentrator plant at MCP  | 827.46         | -              |
| Provision for CSR no longer required Written Back   | -              | 30.59          |
| Provision for Interest on MSME  | 264.01         | 169.94         |
| Provision for MP Rural Infrastructure & Road Development Tax & Water Charges  | -              | 370.78         |
| Excess Provision created for Transportation of Copper Concentrate from KCC to load port                               | 179.56         | -              |
| Old Liability Written Back for S.Creditors, SD & EMD more than 5 years and Others                                     | 686.69         | 479.33         |
| <b>Total</b>  | <b>2280.83</b> | <b>1095.29</b> |



(₹ in lakh)

| PARTICULARS                                     | For the year ended<br>31 <sup>st</sup> March, 2020 | For the year ended<br>31 <sup>st</sup> March, 2019 |
|---|--|--|
| <b>Note No. 31 : COST OF MATERIALS CONSUMED</b> |  |  |
| Raw Materials Consumed                          | 483.29   | 6269.57  |
| Value of Ore Raised During Mine Development     | 144.95   | 223.84   |
| <b>Total</b>                                    | <b>628.24</b>                                      | <b>6493.41</b>                                     |

**Note No. 32 : CHANGES IN INVENTORIES OF FINISHED GOODS, SEMI-FINISHED AND WORK- IN-PROCESS**

|                                   |                  |                 |
|-----------------------------------|------------------|-----------------|
| <b>A. OPENING STOCK:</b>          |                  |                 |
| Finished Goods                    | 1176.03          | 257.24          |
| Semi-Finished and In-Process      | 58249.42         | 73504.95        |
| <b>TOTAL OPENING STOCK</b>        | <b>59425.45</b>  | <b>73762.19</b> |
| <b>B. CLOSING STOCK:</b>          |                  |                 |
| Finished Goods                    | 83.00            | 1176.03         |
| Semi-Finished and In-Process      | 64456.03         | 58249.42        |
| <b>TOTAL CLOSING STOCK</b>        | <b>64539.03</b>  | <b>59425.45</b> |
| <b>(INCREASE)/ DECREASE (A-B)</b> | <b>(5113.58)</b> | <b>14336.74</b> |

**Note No. 33 : EMPLOYEES BENEFIT EXPENSE**

|  |                 |                 |
|--|-----------------|-----------------|
| Salaries, Wages & Allowances   | 21806.24        | 23320.29        |
| Bonus/Ex-gratia/Performance Related Pay  | 104.00          | 1426.21         |
| Contribution to Provident & Other Funds  | 2186.55         | 2263.98         |
| Workmen & Staff Welfare Expenses   | 1568.32         | 1696.74         |
| Gratuity & Leave Encashment  | 297.20          | 2944.26         |
| <b>Total</b>   | <b>25962.31</b> | <b>31651.48</b> |
| Explanatory Note: -  |                 |                 |
| The detail of Remuneration paid/payable to Directors as included in above payments are as follows: - |                 |                 |
| (i) Salaries & Allowances  | 153.84          | 186.11          |
| (ii) Contribution to Provident & Other Funds   | 13.18           | 13.99           |
| (iii) Re-imbursment of Medical Expenses  | 1.06            | 0.53            |
| (iv) Leave Encashment  | 32.83           | 13.23           |
| (v) Gratuity paid  | 20.00           | 10.00           |
| (vi) Other Benefits  | 29.68           | 26.21           |
| <b>Total</b>   | <b>250.59</b>   | <b>250.07</b>   |

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

**Note No. 34 : FINANCE COST**

|                                 |                |                |
|---------------------------------|----------------|----------------|
| - Interest on Cash Credit       | 2001.93        | 1339.00        |
| - Others (including Term Loans) | 4039.96        | 4207.10        |
| <b>Total</b>                    | <b>6041.89</b> | <b>5546.10</b> |





Notes to Consolidated Financial Statements (Contd...)

(₹ in lakh)

| PARTICULARS  | For the year ended<br>31 <sup>st</sup> March, 2020 | For the year ended<br>31 <sup>st</sup> March, 2019 |
|--|--|--|
| <b>Note No. 35 : DEPRECIATION AND AMORTISATION EXPENSE</b>   |  |  |
| <b>A. DEPRECIATION</b>   |  |  |
| Depreciation for the year  | 4036.90  | 3967.25  |
| Less: Depreciation transferred to Mine Development   | 446.57   | 304.95   |
| Expenditure  |  |  |
| <b>SUB TOTAL (A)</b>   | <b>3590.33</b>                                     | <b>3662.30</b>                                     |
| <b>B. AMORTISATION</b>   |  |  |
| Amortisation during the year *   | 25271.73   | 21627.10   |
| <b>SUB TOTAL (B)</b>   | <b>25271.73</b>                                    | <b>21627.10</b>                                    |
| <b>TOTAL (A+B)</b>   | <b>28862.06</b>                                    | <b>25289.40</b>                                    |
| * Amortisation during the year is in relation to the expenses incurred on mines which are under operation/production and does not include expenditure on prospecting of minerals in new mines area |  |  |
| <b>Note No. 36 : OTHER EXPENSES</b>  |  |  |
| <b>A. OTHER MANUFACTURING EXPENSES</b>   |  |  |
| - Stores, Spares & Tools Consumed  | 10618.82   | 11706.53   |
| - Consumption of Power, Fuel & Water   | 17757.59   | 22186.57   |
| - Royalty, Cess & Decretal amount  | 7717.04  | 9803.47  |
| - Contractual Job for Process  | 16744.17   | 13905.88   |
| - Handling & Transportation  | 2975.64  | 6811.67  |
| - Expenses for Leasehold Land  | 206.61   | 141.29   |
| <b>SUB TOTAL (A)</b>   | <b>56019.87</b>                                    | <b>64555.41</b>                                    |
| <b>B. REPAIRS &amp; MAINTENANCE &amp; MAJOR OVERHAUL EXPENSES</b>  |  |  |
| - Building   | 145.54   | 195.08   |
| - Machinery  | 4003.83  | 4889.34  |
| - Others   | 817.77   | 681.86   |
| <b>SUB TOTAL (B)</b>   | <b>4967.14</b>                                     | <b>5766.28</b>                                     |
| <b>C. ADMINISTRATION EXPENSES</b>  |  |  |
| - Insurance  | 383.85   | 204.77   |
| - Rent   | 133.26   | 137.83   |
| - Rates and Taxes  | 1132.38  | 766.15   |
| - Security Expenses  | 804.49   | 970.41   |
| - Travelling and Conveyance  | 410.12   | 562.57   |
| - Telephone, Telex and Postage   | 129.93   | 144.03   |
| - Advertisement and Publicity  | 246.45   | 174.90   |
| - Printing and Stationery  | 70.15  | 125.70   |
| - Books & Periodicals  | 1.81   | 3.63   |
| - Consultancy Charges - Indigenous   | 1006.15  | 757.67   |
| - Loss on Sale of Assets(Net)  | 2.04   | -  |
| - MTM Debit/(Credit) Foreign Exchange  | (20.80)  | 1071.48  |
| - Exchange Rate Variation (Net)  | -  | 0.17   |
| - Corporate Social Responsibility Expenses   | 331.01   | 185.38   |
| - Hire Charges   | 299.78   | 389.86   |
| - Audit Expenses (Refer detail below at Sl 1)  | 42.41  | 30.28  |
| - Independent Directors Expenses   | 12.75  | 10.35  |
| - Bank Charges   | 176.93   | 155.01   |
| - Other General Expenses   | 1241.43  | 1051.91  |
| <b>SUB TOTAL (C)</b>   | <b>6404.14</b>                                     | <b>6742.10</b>                                     |
| <b>D. PROVISIONS (Refer detail below at Sl 2)</b>  | <b>18866.24</b>                                    | <b>1900.82</b>                                     |
| <b>TOTAL (A+B+C+D)</b>   | <b>86257.39</b>                                    | <b>78964.61</b>                                    |



Notes to Consolidated Financial Statements (Contd...)

(₹ in lakh)

| PARTICULARS                                 | For the year ended<br>31 <sup>st</sup> March, 2020 |                 | For the year ended<br>31 <sup>st</sup> March, 2019 |                |
|---|--|-----------------|--|----------------|
| Explanatory Note: -                         |  |                 |  |                |
| 1) Detail of Audit Expenses are as under: - |  |                 |  |                |
| i) Statutory Auditors                       |  |                 |  |                |
| - Statutory Audit Fees                      | 16.65  |                 | 11.15  |                |
| - Tax Audit Fees                            | 5.16   |                 | 0.89   |                |
| - In Other Capacity                         | 14.95  |                 | 8.65   |                |
| - Reimbursement of Expenses                 | 2.29   | 39.05           | 5.81   | 26.50          |
| ii) Cost Auditors                           |  |                 |  |                |
| - Cost Audit Fees                           | 0.70   |                 | 0.61   |                |
| - Reimbursement of Expenses                 | 0.47   | 1.17            | 0.86   | 1.47           |
| iii) Internal Auditors                      |  |                 |  |                |
| - Audit Fees                                | 0.65   |                 | 0.65   |                |
| - Reimbursement of expenses                 | 1.54   | 2.19            | 1.66   | 2.31           |
| <b>Total</b>                                |  | <b>42.41</b>    |  | <b>30.28</b>   |
| 2) Detail of Provisions are as under: -     |  |                 |  |                |
| Doubtful debts                              |  | 0.31            |  | -              |
| Doubtful advances / deposits                |  | 2.52            |  | 9.82           |
| Provisions for Obsolete /Non-moving Stores  |  | 1.05            |  | 108.71         |
| Provisions for WIP & Finished Goods         |  | 18331.80        |  | -              |
| Provisions for Capital Work In Progress     |  | 131.88          |  | 695.58         |
| Provisions for Loss of Assets               |  | -               |  | 631.54         |
| Interest on MSMED                           |  | 323.68          |  | 291.03         |
| Provision for Mine Closure Expenditure      |  | 75.00           |  | 163.00         |
| Provision for Others                        |  | -               |  | 1.14           |
| <b>Total</b>                                |  | <b>18866.24</b> |  | <b>1900.82</b> |

**Note No. 37 : TAX EXPENSE**

**CURRENT TAX**

|                                      |                |                |
|--------------------------------------|----------------|----------------|
| Income Tax Provision                 | -              | 8656.75        |
| Income Tax relating to earlier years | 842.18         | 472.18         |
| Deferred Tax Account                 | 2295.83        | (667.91)       |
| <b>Total</b>                         | <b>3138.01</b> | <b>8461.02</b> |

**Note No. 38 : OTHER COMPREHENSIVE INCOME**

|  |                  |                  |
|--|------------------|------------------|
| A(i) Items that will not be reclassified to Profit/(Loss) Actuarial gain/loss recognised in the year for employees :<br>Gratuity | (3000.95)        | (1676.21)        |
| <b>TOTAL (A(i))</b>  | <b>(3000.95)</b> | <b>(1676.21)</b> |
| A(ii) Income Tax relating to items that will not be reclassified to Profit/(Loss)  | 755.28           | 585.74           |
| <b>TOTAL (A(ii))</b>   | <b>755.28</b>    | <b>585.74</b>    |
| B(i) Items that will be reclassified to Profit/(Loss)  |                  | -                |
| <b>TOTAL (B(i))</b>  | -                | -                |
| B(ii) Income Tax relating to items that will be reclassified to Profit/(Loss)  |                  | -                |
| <b>TOTAL (B(ii))</b>   | -                | -                |



**NOTE FORMATING PART OF ACCOUNTS**

**Note No. : 39 GENERAL NOTES ON ACCOUNTS**

**1. CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)**

(i) Contingent Liabilities: -

|   | <b>2019-20</b>     | <b>2018-19</b>     |
|---|--------------------|--------------------|
|   | <b>(₹ in lakh)</b> | <b>(₹ in lakh)</b> |
| a. Claims against the Group not acknowledged as debt:       |                    |                    |
| i. Disputed VAT / CST / Entry Tax                           | 3516.76            | 3347.51            |
| ii. Disputed Excise Duty                                    | 2947.97            | 5747.41            |
| iii. Disputed Income Tax / Provident Fund                   | 23113.43           | 11101.54           |
| iv. Other Demand  | 39110.70           | 34578.47           |
| <b>SUB-TOTAL (A)</b>  | <b>68688.86</b>    | <b>54774.93</b>    |
| b. Other money for which the Group is contingently liable : |                    |                    |
| i. Bank Guarantee   | 2767.54            | 2585.42            |
| ii. Letter of Credit  | 53.26              | 1894.47            |
| iii. Bill discounting                                       | -                  | 6636.44            |
| <b>SUB-TOTAL (B)</b>  | <b>2820.80</b>     | <b>11116.33</b>    |
| <b>GRAND TOTAL (A+B)</b>                                    | <b>71509.66</b>    | <b>65891.26</b>    |

(ii) Commitments:-

|   |          |          |
|---|----------|----------|
| Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advance and deposit) | 73913.51 | 86661.55 |
|---|----------|----------|

**Details of Claims against the Group not acknowledged as debt (of 1(i)(a) above)**

**VAT/CST/ENTRY TAX**

There are demand notices totaling to Gross Demand of ₹3516.76 lakh (Previous Year ₹3347.51 lakh) from various State Revenue Authorities regarding VAT/CST/Entry Tax against which the Group has deposited under protest ₹620.44 lakh (Previous Year ₹610.33 lakh). The Group is contesting the demand and the management as well as the legal advisors/consultants are of the opinion that its contention will likely to be upheld by the Appellate Authorities. The Group also believes that ultimate outcome of these proceedings will not have a material adverse impact on the financial position of the Group.

**EXCISE DUTY**

There are demand notices totaling to Gross Demand of ₹2947.97 lakh (Previous Year ₹5747.41 lakh) from Central Excise Authorities regarding Excise Duty against which the Group has deposited under protest ₹68.37 lakh (Previous Year ₹30.34 lakh). The Group is contesting the demand and the management as well as the legal advisors/consultants are of the opinion that its contention will likely to be upheld by the Appellate Authorities. The Group also believes that ultimate outcome of these proceedings will not have a material adverse impact on the financial position of the Group.

**INCOME TAX/PROVIDENT FUND**

There are Income Tax demand notices totaling to Gross Demand of ₹23113.43 lakh (Previous Year ₹11101.54 lakh). The management as well as the income tax consultant are of the opinion that its contention will likely to be upheld by the Appellate Authorities/High Court. The Group also believes that ultimate outcome of these proceedings will not have a material adverse impact on the financial position of the Group.

**OTHER DEMAND of ₹38685.29 lakh (Previous Year ₹34578.47 lakh)**

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

- a. The Municipal Council, Malanjkhanda, raised a demand on Malanjkhanda Copper Project (MCP) amounting to ₹7046.64 lakh on account of penalty on Terminal Tax for the periods from financial year 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 Group before the Hon'ble High Court, Jabalpur, M.P. and the Group paid ₹352.33 lakh towards penalty Terminal Tax as per the order of Hon'ble High Court, Jabalpur, M.P. Subsequently the matter was turned down by the Hon'ble High Court,



Jabalpur, M.P. The Group filed writ petition before the Hon'ble Supreme Court of India. The Hon'ble Supreme Court vide its order dated 29.07.2011 directed the Group to deposit an ad-hoc amount of ₹1000.00 lakh to Municipal Council, Malanjkhand which has since been deposited by the Group 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 lakh for the periods from 2006-07 to 2011-12 was also raised on the above ground for which the appeal by the Group is pending before the Hon'ble Supreme Court. Pending final decision, the full amount of ₹25914.20 lakh has been disclosed under 'Contingent Liability'.

- b. The Deputy Registrar, Khetri, Rajasthan issued demands on KCC for ₹4819.27 lakh on account of re-assessment of land tax for Khetri, Kolihan & Chandmari mines for several years. The Group has already paid ₹2211.61 lakh against the same. The matter is contested by the Group before the Assessing Authority. Pending final decision, the full amount of ₹4819.27 lakh has been disclosed under 'Contingent Liability'.
- c. The Municipal Council, Malanjkhand, Madhya Pradesh issued demands on MCP for ₹558.24 lakh on account of Property Tax for several years against which the Group filed writ petitions before the Hon'ble Madhya Pradesh High Court, Jabalpur challenging the demand notice. The amount of ₹558.24 lakh 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 lakh with a corresponding counter claim of ₹534.62 lakh by the Group. The arbitral award went against the Group. The Group had filed an appeal before the Hon'ble High Court of Rajasthan and the same was admitted for hearing. The Group preferred appeal before the Hon'ble Rajasthan High Court regarding interim deposit of arbitral award pending disposal of original appeal, but the same was dismissed. Thereafter the Group had preferred appeal before Hon'ble Supreme Court and the Hon'ble Supreme Court passed the order directing the Group to deposit the entire decrial amount along with interest amounting to ₹1733.50 lakh in the form of Fixed Deposit. The Group deposited the said amount and shown the same as Deposit in Current assets. Pending decision of the original appeal against arbitral award before the Hon'ble Rajasthan High Court, the said amount of ₹1733.50 lakh has been disclosed under 'Contingent Liability'.
- e. There was a demand from M/S Uttkal Moulders amounting to ₹1662.72 lakh regarding interest for delayed payment against supply of grinding media balls at Malanjkhand Copper Project. The case is pending before the Sole Arbitrator. Pending final decision, the said amount of ₹1662.72 lakh has been disclosed under 'Contingent Liability'.
- f. In addition there are number of pending litigation cases against the Group claiming demand of ₹3997.36 lakh by retired employees, third parties etc. which the Group is contesting before different Legal Forums / Courts.

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

2. During the year, the Group has incurred loss and hence not provided any liability towards Performance Related Pay payable to the executives (Previous Year ₹1145.00 lakh) as per terms of DPE guidelines.
3. 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 Prepaid Expenses shown under Note No. 9(d) & 16(g).
4. The lease agreements of Kendadih and Rakha Mining Lease at ICC has been renewed and executed by the Govt of Jharkhand in respect of leasehold lands valid upto 02.06.2023 and 28.08.2021 respectively. In respect of Surda Mining Lease, the lease agreement has expired on 31.03.2020 and the Group has applied for extension of the lease agreement which is under active consideration of the Govt of Jharkhand.
5. The commercial operation of Smelter, Refinery and Sulphuric Acid Plant at Khetri Copper Complex (KCC) were suspended since December 2008. The Group suffered loss on account of impairment of the said plants valued by an independent consultant in earlier years and consequently a total sum of ₹464.01 lakh was provided in the accounts for impairment loss in compliance with the guidelines of IND AS 36 on "Impairment of Assets" as on 31.03.2020. Total inventory valued ₹33.21 lakh (Previous Year ₹33.21 lakh) which remained as process material in the above Plant is included in the Inventory of the Group. The management is of the opinion that such inventories consisting mainly of metal content and having realizable value at least equal to the amount at which they are stated.
6. The title deeds for Freehold and Leasehold Land and Building acquired in respect of Gujarat Copper Project (GCP) with book value of ₹5578.11 lakh are yet to be executed (Previous year ₹5859.97 lakh).



## Notes to Consolidated Financial Statements (Contd...)

7. At ICC, Pollution Control Plant under Package I & III amounting to ₹2100.50 lakh 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. Confirmation letters of majority of balances under the heads Sundry Creditors, Claims Recoverable, Loans & Advances, Sundry Debtors and Deposits from and with various parties/ Government Departments have been sent but in number of cases such confirmation letters from the parties are yet to be received.
9. During the year, the Group has spent a sum of ₹331.01 lakh on account of Corporate Social Responsibility (CSR) expenses.

Amount spent during the year on:

| Sl. No. | Particulars in cash                   | In cash      | Yet to be paid | Total        |
|---------|---------------------------------------|--------------|----------------|--------------|
| (i)     | Construction/acquisition of any asset | -            | -              | -            |
| (ii)    | On purposes other than (i)above       | ₹331.01 lakh | -              | ₹331.01 lakh |

10. 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 financial year   | ₹961.60 lakh |
|    | ii) Interest due on above   | ₹248.49 lakh |
| 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   | -            |
| 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   | ₹730.36 lakh |
| d) | Amount of interest accrued and remaining unpaid at the end of the financial year  | ₹978.85 lakh |
| 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 Group.



11. During the year the Group has written back old liabilities / provisions amounting to ₹2280.83 lakh (Previous Year ₹1095.29 lakh) in the accounts, the details of which are as under :-

| Sl. No. | PARTICULARS   | ₹ in lakh      | REASONS FOR REVERSAL   |
|---------|---|----------------|--|
| 1.      | Excess provision on account of shortage, non-moving & obsolete Stores & Spares written back in respect of MCP – ₹0.15 lakh, GCP – ₹66.57 lakh & KCC – ₹199.82 lakh    | 266.54         | Consequent to physical verification conducted and on reconciliation with book records during the year, the excess provision at the end of the year has been written back to revenue.           |
| 2.      | Excess provision for doubtful debts no longer required is written back in TCP – ₹41.24 lakh & KCC – ₹15.33 lakh   | 56.57          | The relevant amount of debts were recovered from the customers/parties and hence the provision for doubtful debts created in earlier years has been written back.                              |
| 3.      | Excess provision created for transportation of copper concentrate from KCC to the load port   | 179.56         | The excess provision created for transportation of copper concentrate has been written back  |
| 4.      | Write back of provision against feasibility study of Concentrator Plant at MCP  | 827.46         | The provision against Capital Work in Progress has been written back to Revenue and equivalent amount has also been charged to Revenue resulting NIL impact in the profitability of the Group. |
| 5.      | Excess provision for interest on MSME is written back in TCP – ₹0.38 lakh & MCP – ₹263.63 lakh  | 264.01         | Excess provision for interest on MSME created in earlier years has been written back.  |
| 7.      | Liability for unclaimed EMD, SD & Sundry Creditors for more than 5 years written back at ICC – ₹42.81 lakh, KCC – ₹78.15 lakh, MCP – ₹563.80 lakh & RSOW – ₹1.93 lakh | 686.69         | The unclaimed liability for EMD, SD & Sundry Creditors unremoved for more than 5 years has been written back   |
|         | <b>TOTAL</b>  | <b>2280.83</b> |  |

12. Management has not become aware of any instance of fraud by the Group or any fraud on the Group by its officers and employees during the current financial year.
13. The Group 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 IND AS 105 on “Non-current Assets Held for Sale and Discontinued Operations” the following information for the year are furnished:

(₹ in lakh)

(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 | 490.05<br>(503.89) | -<br>(-)         | -<br>(-)       | No separate records are maintained |
| iii) Liabilities to be settled                    |                                | 137.17<br>(137.17) | 73.04<br>(73.04) | 3.38<br>(3.38) |                                    |
| iv) Amount of income                              | -<br>(-)                       | -<br>(-)           | -<br>(-)         | -<br>(-)       |                                    |
| v) Amount of expenses                             | -<br>(-)                       | 34.70*<br>(34.70)  | -<br>(-)         |                |                                    |
| vi) Gain on sale of assets (Included in iv above) | -<br>(-)                       | -<br>(-)           | -<br>(-)         | -<br>(-)       |                                    |

\* This is included in cash generated from operations in the Cash Flow Statement.



## Notes to Consolidated Financial Statements (Contd...)

14. Since the Group is primarily engaged in the business of manufacture and sale of copper products, the same is considered to be the only primary reportable business segment and accordingly has been reported. As the Group operates predominantly within the geographical limits of India, no secondary segment reporting has been considered as per IND AS 108 "Operating Segments".

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

|                          | 2019-20   |                 | 2018-19   |                 |
|--------------------------|-----------|-----------------|-----------|-----------------|
|                          | Qty (MT)  | ₹ in lakh       | Qty (MT)  | ₹ in lakh       |
| Anode Slime              | 25.040    | 1995.90         | 19.800    | 2004.64         |
| Copper Reverts           | 265.347   | 815.91          | 670.934   | 2027.10         |
| Copper Concentrate (CMT) | 10647.339 | 43317.52        | 19571.433 | 80235.59        |
| <b>Total</b>             |           | <b>46129.33</b> |           | <b>84267.33</b> |

### 16. In terms of IND AS 24 on "Related Party Disclosures":

The Group does not have any Advances provided to its Subsidiary and Joint Venture Company as at the year-end except as is disclosed below:

#### Transactions with Related Party during the year and balance outstanding as on 31.03.2020

| Name of Related Party             | Nature of Relationship | Type of Transaction        | ₹ in lakh                           |               |
|-----------------------------------|------------------------|----------------------------|-------------------------------------|---------------|
|                                   |                        |                            | Year ended                          |               |
|                                   |                        |                            | 31.03.20                            | 31.03.19      |
| Chhattisgarh Copper Limited (CCL) | Subsidiary             | Investment in shares as on | 18.50                               | 18.50         |
|                                   |                        | Advances given as on       | 6.50                                | 6.50          |
| Name of Related Party             | Nature of Relationship | Type of Transaction        | Year ended                          |               |
|                                   |                        |                            | 31.03.20                            | 31.03.19      |
|                                   |                        |                            | Khanij Bidesh India Limited (KABIL) | Joint Venture |
| Advances given as on              | 72.00                  | -                          |                                     |               |

#### The remuneration of Key Management Personnel are given below:

| Particulars                            | Key Management Personnel                                   | Total Remuneration           |                                  |
|--|--|------------------------------|----------------------------------|
|  |  | Year ended 2019-20           | Year ended 2018-19               |
| <b>FUNCTIONAL DIRECTORS</b>            |  |                              |                                  |
| Receiving of Services                  | 1. Sri Arun Kumar Shukla<br>Chairman-cum-Managing Director | 12.37<br>(w.e.f. 01.01.2020) | -                                |
|  | 2. Sri Santosh Sharma<br>Chairman-cum-Managing Director    | 44.31<br>(upto 31.12.2019)   | 66.45                            |
|  | 3. Sri K D Diwan<br>Chairman-cum-Managing Director         | 1.55<br>(Arrear PRP)         | 21.11<br>(Arrear Gratuity & PRP) |
|  | 4. Sri Anupam Anand<br>Director (Personnel)                | 10.55<br>(upto 04.08.2019)   | 59.01                            |
|  | 5. Sri S K Bhattacharya<br>Director (Mining)               | 93.70<br>(upto 31.12.2019)   | 49.03                            |
|  | 6. Sri S K Bandyopadhyay<br>Director (Finance)             | 52.41                        | 32.55                            |
|  | 7. Sri Arun Kumar Shukla<br>Director (Operations)          | 35.70<br>(upto 31.12.2019)   | 21.92                            |
| <b>OTHER THAN FUNCTIONAL DIRECTORS</b> |  |                              |                                  |
|  | 8. Sri C S Singhi<br>Company Secretary                     | 51.28                        | 43.80                            |

#### INDEPENDENT DIRECTORS

Smt Simantini Jena – Date of appointment – 17.11.2015 & Re-appointed on 17.11.2018 to 16.11.2019

Sri Hemant Mehtani - Date of appointment – 17.11.2015 & Re-appointed on 17.11.2018 to 16.11.2019

Sri D R S Chaudhary - Date of appointment – 01.12.2015 & Re-appointed on 01.12.2018 to 30.11.2019

Sri Subhash Sharma – Date of appointment – 18.02.2018

Sri Pawan Kumar Dhawan – Date of appointment – 22.07.2019

Sri Balwinder Singh Canth – Date of appointment – 22.07.2019

Sri Kalyansundaram – Date of appointment – 22.07.2019





| Sl. No. | Payment to Independent Directors | Year ended 31.03.2020 | Year ended 31.03.2019 |
|---------|----------------------------------|-----------------------|-----------------------|
| 1.      | Sitting Fees                     | 12.75                 | 10.35                 |

**Balance Outstanding with Key Managerial Personnel as on 31.03.2020**

| Sl. No. | Particulars       | As on 31.03.2020 | As on 31.03.2019 |
|---------|-------------------|------------------|------------------|
| 1.      | Amount payable    | Nil              | Nil              |
| 2.      | Amount receivable | Nil              | Nil              |

**17. In terms of IND AS 33 on “Earning per Share” :**

|  | (₹ in lakh)                |                            |
|--|----------------------------|----------------------------|
|  | BASIC                      | DILUTED                    |
| Profit / (Loss) After Tax  | (-) 56948.46<br>(14526.26) | (-) 56948.46<br>(14526.26) |
| Denominator used: Weighted average number of Equity Shares of ₹5/-<br>(Previous year ₹5/- each) outstanding during the period. | 925218000<br>(925218000)   | 925218000<br>(925218000)   |
| Earning Per Share (₹)  | (-) 6.155<br>(1.571)       | (-) 6.155<br>(1.571)       |

**18. The Group has accounted for Deferred Tax in accordance with the guidelines of IND AS 12 on “Income Taxes” issued by The Institute of Chartered Accountants of India. The Deferred tax balances are set out below:-**

**DEFERRED TAX ASSET (NET):-**

| (₹ in lakh)   |  |                                 |  |
|---|--|---------------------------------|--|
| Particulars   | Deferred Tax Asset/ (Liability) as at 01.04.2019 | Credit/ (Charge) during 2019-20 | Deferred Tax Asset/ (Liability) as at 31.03.2020 |
| <b>Deferred Tax Asset :-</b>  |  |                                 |  |
| Difference between provision made in accounts and claims made as per I. T Act               | 9243.90  | (3379.68)                       | 5864.22  |
|   | 9243.90  | (3379.68)                       | 5864.22  |
| <b>Deferred Tax Liability :-</b>  |  |                                 |  |
| Difference between net book value of depreciable capital assets vis-a-vis WDV as per IT Act | (2998.28)  | 1083.85                         | (1914.43)  |
|   | (2998.28)  | 1083.85                         | (1914.43)  |
| Deferred Tax Asset (Net) – Recognised in Statement of Profit & Loss                         | 6245.62  | (2295.83)                       | 3949.79  |
| Deferred Tax Asset (Net) - Defined Benefit Plan – Recognised in OCI                         | 585.74   | 755.28                          | 1341.02  |
| Total Deferred Tax Asset (Net)  | 6831.36  | (1540.55)                       | 5290.81  |

**19. PROVISIONS FOR CONTINGENCIES:-**

| (₹ in lakh)                        |                        |                       |                               |          |          |
|------------------------------------|------------------------|-----------------------|-------------------------------|----------|----------|
| Particulars                        | Discarded Fixed Assets | Capital WIP & Advance | Mines Development Expenditure | Others   | TOTAL    |
| Carrying amount as at 01.04.2019   | 1838.56                | 4088.49               | 4664.86                       | 16400.84 | 26992.75 |
| Amount provided during the year    | -                      | -                     | -                             | 27549.44 | 27549.44 |
| Amounts utilized against provision | -                      | 695.58                | -                             | 11675.31 | 12370.89 |
| Carrying amount as at 31.03.2020   | 1838.56                | 3392.91               | 4664.86                       | 32274.97 | 42171.30 |

**20. GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS IN TERMS OF Ind AS 19 :**

The Group has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded through Life Insurance Corporation of India, SBI Life Insurance Co. Ltd. and India First Life Insurance and are managed by separate trust. The Group has also funded through Life Insurance Corporation of India and SBI Life Insurance Co.



## Notes to Consolidated Financial Statements (Contd...)

Ltd towards leave encashment. Expenses recognized in Statement of Profit & Loss and Other Comprehensive Income amounting to ₹3450.73 lakh in respect of Gratuity, Leave Encashment and Leave Travel Concession which have been provided for as stated below.

The following tables summarize the components of net benefit expense recognized in the Statement of Profit and Loss, Other Comprehensive Income and Mine Development Expenditure and the funded status and amounts recognized in the balance sheet for the respective plans.

|   | (₹ in lakh)               |  |   |
|---|---------------------------|--|---|
|   | Gratuity<br>(Funded plan) | Leave Encashment<br>(Partially funded<br>Plan) | Leave Travel<br>Concession<br>(Non-funded Plan) |
| <b>(i) Changes in Present Value of Obligation</b>                           |                           |  |   |
| Present Value of obligation as on last valuation                            | 13501.90                  | 12901.17                                       | 171.93  |
| Current service cost  | 813.77                    | 994.66   |   |
| Interest cost   | 709.06                    | 752.32   |   |
| Total Actuarial gain/loss   | 3000.95                   | (1190.91)                                      | 129.64  |
| Benefits Paid   | 5353.13                   | 2830.70  | 103.54  |
| Present value of obligation as on valuation date                            | 12672.55                  | 10626.54                                       | 198.03  |
| <b>(ii) Changes in Fair Value of Plan Assets</b>                            |                           |  |   |
| Fair value of Plan Assets at beginning of period                            | 21811.52                  | 3334.27  |   |
| Interest Income   | 1512.30                   | 246.46   |   |
| Employer Contributions  | -                         | 2830.26  |   |
| Benefits paid   | 5353.13                   | 2830.70  |   |
| Return on Plan Assets excluding Interest Income                             | -                         | -  |   |
| Fair value of Plan Assets at end of measurement period                      | 17970.69                  | 3580.29  |   |
| <b>(iii) Table Showing Reconciliation to Balance Sheet</b>                  |                           |  |   |
| Funded Status   | 5298.14                   | (7046.24)                                      |   |
| Fund Asset  | 17970.69                  | 3580.30  |   |
| Fund Liability  | 12672.55                  | 10626.54                                       |   |
| <b>(iv) Expenses recognized in the Statement of Profit and Loss Account</b> |                           |  |   |
| Current service cost  | 813.77                    | 994.66   |   |
| Net Interest cost   | (803.24)                  | 505.86   |   |
| Actuarial (gain)/loss   | -                         | (1190.91)                                      | 129.64  |
| Benefit Cost (Expense Recognized in Statement of Profit/loss)               | 10.53                     | 309.61   | 129.64  |
| <b>(v) Other Comprehensive Income</b>                                       |                           |  |   |
| Total Actuarial (gain)/loss   | 3000.95                   | -  |   |
| Return on Plan Asset, Excluding Interest Income                             | -                         | -  |   |
| Balance at the end of the Period  | 3000.95                   | -  |   |
| Net(Income)/Expense for the Period Recognized in OCI                        | 3000.95                   | -  |   |
| <b>(vi) Table Showing Plan Assumptions</b>                                  |                           |  |   |
| Discount Rate   | 6.55% p.a.                | 6.55% p.a.                                     | 6.55% p.a.                                      |
| Expected Return on Plan Asset   | 7.50%,7.00%,6.50%         | 7.00%,7.50%                                    | -   |
| Rate of Compensation Increase (Salary Inflation) etc                        | 6.00% p.a.                | 6.00% p.a.                                     | -   |
| Average expected future service (Remaining working Life)                    | 10 years                  | 10 years                                       | 10 years  |
| Mortality Table   | IALM 2006-2008            | IALM 2006-2008                                 | IALM 2006-2008                                  |
| Superannuation at age-Male  | ULTIMATE                  | ULTIMATE                                       | ULTIMATE  |
| Superannuation at age-Female  | 60 years                  | 60 years                                       | 60 years  |
| Early Retirement & Disablement (All Causes Combined)                        | 60 years                  | 60 years                                       | 60 years  |
|   | 1% p.a.                   | 1% p.a.  | 1% p.a.   |



The details of the plan assets as on 31.03.2020 towards gratuity & leave encashment are as follows:

|   | in ₹ lakh       |
|---|-----------------|
| Investment in Life Insurance Corporation of India | 2778.47         |
| Investment in SBI Life Insurance Co. Ltd          | 18154.63        |
| Investment in India First Life Insurance          | 615.83          |
| Fund with Gratuity Trust Savings Bank Accounts    | 2.06            |
| <b>Total</b>                                      | <b>21550.99</b> |

Actual Return on Plan Assets during the year - ₹ 1758.76 lakh.

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.

## 21. Financial Instrument

### 1. Derivatives not designated as hedging instruments

The Group uses Commodity Futures Contracts to manage its commodity price risk. The Commodity Futures Contracts are not designated as hedging instruments and are entered into for periods consistent with commodity price risk exposure of the underlying transactions, generally from one to four months. However in the year FY 19-20, the Group has not entered into any Commodity Futures Contract.

The Group uses foreign exchange forward contracts to manage some of its transaction exposures. The foreign exchange forward contracts are not designated as cash flow hedges and are entered into for periods consistent with foreign currency exposure of the underlying transactions, generally from one to four months.

### Commodity price risk

The Group purchases copper blister/ anode on an ongoing basis for its operating activities in its Gujarat Copper Project (GCP) plant for the production of cathode. To hedge itself against the volatility in LME copper prices in the international market has led to the decision to enter into commodity future contracts. However in the year FY 19-20, the Group has not purchased any such copper blister/ anode for its plant in GCP.

These contracts, which commenced in August 2016, are expected to reduce the volatility attributable to price fluctuations of copper. Hedging the price volatility of copper purchases is in accordance with the Risk Management Policy approved by the Board of Directors. The hedging relationships are for a period between 1 and 4 months based on existing purchase agreements. The Group designated only the spot-to-spot movement of the entire commodity purchase price as the hedged risk. It has been decided by the Group not to follow the hedge accounting for these instruments.

As at 31 March 2020, the fair value of the open position of commodity future contracts is nil.

### 2. Financial Instruments by Categories

The carrying value and fair value of financial instruments by categories were as follows:

Set out below, is a comparison by class of the carrying amounts and fair value of the Group's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

| Particulars  | (Amount in ₹ lakh)                        |   |                                 |                                 |
|--|---|---|---------------------------------|---------------------------------|
|  | Total carrying value as at March 31, 2020 | Total carrying value as at March 31, 2019 | Fair Value as at March 31, 2020 | Fair Value as at March 31, 2019 |
| <b>Financial Assets at FV through Statement of Profit &amp; Loss</b> |   |   |                                 |                                 |
| Mutual Funds   | 7.84                                      | 7.84                                      | 9.48                            | 8.85                            |
| <b>Derivatives not designated as hedges</b>                          |   |   |                                 |                                 |
| Future Contract Receivable on commodity                              | -   | -   | -                               | -                               |
| <b>Total of Financial Assets</b>                                     | <b>7.84</b>                               | <b>7.84</b>                               | <b>9.48</b>                     | <b>8.85</b>                     |
| <b>Financial Liabilities</b>   |   |   |                                 |                                 |
| Derivatives not designated as hedges                                 |   |   |                                 |                                 |
| Forward Cover Contract Liability                                     | -   | -   | -                               | -                               |
| <b>Total of Financial Liabilities</b>                                | <b>0.00</b>                               | <b>0.00</b>                               | <b>0.00</b>                     | <b>0.00</b>                     |



3. The Management considered the Service fees of Rs 15 lakh paid on the Exim Bank Term loan amounting to ₹30000 lakh drawn on 29.05.2018 as immaterial, as the amount of service fee was only 0.019% of the Turnover (FY 2019-20) of the Group and hence the same was not considered as a transaction cost in terms of fair valuation at initial recognition under INDAS 109. Further, the Management assessed that for the purpose of IND AS 109, the carrying value of loan is considered as its fair value as no loan could be provided at a rate lower than the rate of interest of Exim Bank loan for similar terms and conditions of the loan at that point of time.

Similarly, the Management considered the total of Upfront fees & Other charges of Rs 245.33 lakh paid on the SBI ECB loan amounting to ₹17734.75 lakh drawn during July 2018 to January 2019 as immaterial, as the amount of such fees/charges was only 0.305% of the Turnover (FY 2019-20) of the Group and hence the same was not considered as a transaction cost in terms of fair valuation at initial recognition under INDAS 109. Further, the Management assessed that for the purpose of IND AS 109, the carrying value of loan is considered as its fair value as no loan could be provided at a rate lower than the rate of interest of SBI ECB loan for similar terms and conditions of the loan at that point of time.

The Management assessed that cash and cash equivalents, trade receivables, trade payables, bank overdrafts and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The Group enters into derivative financial instruments with various counterparties, principally with financial institutions having Investment grade credit ratings. Foreign exchange forward contracts and commodity futures contracts are valued using valuation techniques, which employ the use of market observable inputs. The most frequently applied valuation techniques include forward pricing.

#### 4. Fair Value Hierarchy

- Level 1 - Level 1 hierarchy includes financial instruments measured using quoted prices (unadjusted) in active markets.
- Level 2 - Level 2 hierarchy includes financial instruments measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 - Level 3 hierarchy includes financial instruments measured using inputs that are not based on observable market data (unobservable inputs).

The following table presents fair value hierarchy of assets and liabilities measured at fair value

(Amount in ₹ lakh)

| Particulars  | Date of Valuation | Level 1 | Level 2 | Level 3 | Total |
|--|-------------------|---------|---------|---------|-------|
| <b>Financial Assets at FV through Statement of Profit &amp; Loss</b> |                   |         |         |         |       |
| <b>Non-derivative financial assets</b>                               |                   |         |         |         |       |
| Mutual funds   | 31/Mar/2020       | 9.48    | -       | -       | 9.48  |
| <b>Derivative financial assets</b>                                   |                   |         |         |         |       |
| Future Contract Receivable on commodity                              | 31/Mar/2020       | -       | -       | -       | -     |
| <b>Liabilities measured at fair value:</b>                           |                   |         |         |         |       |
| <b>Derivative financial liabilities</b>                              |                   |         |         |         |       |
| Forward Cover Contract Liability                                     | 31/Mar/2020       | -       | -       | -       | -     |
| <b>Assets measured at FV through OCI</b>                             | 31/Mar/2020       | -       | -       | -       | -     |



(Amount in ₹ lakh)

| Particulars   | Date of Valuation | Level 1 | Level 2 | Level 3 | Total |
|---|-------------------|---------|---------|---------|-------|
| <b>Financial Assets at FV through Statement of Profit &amp; Loss</b>        |                   |         |         |         |       |
| <b>Non-derivative financial assets</b>                                      |                   |         |         |         |       |
| Mutual funds  | 31/Mar/2019       | 8.85    | -       | -       | 8.85  |
| <b>Derivative financial assets</b>  |                   |         |         |         |       |
| Future Contract Receivable on commodity                                     | 31/Mar/2019       | -       | -       | -       | -     |
| <b>Liabilities measured at fair value: Derivative financial liabilities</b> |                   |         |         |         |       |
| Forward Cover Contract Liability  | 31/Mar/2019       | -       | -       | -       | -     |
| <b>Assets measured at FV through OCI</b>                                    | 31/Mar/2019       | -       | -       | -       | -     |

## 5. Financial Risk Management

### Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Group's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

| Risk                          | Exposure arising from   | Measurement                 | Management   |
|-------------------------------|---|-----------------------------|--|
| Market risk- Foreign Exchange | Future commercial transactions, Recognised financial assets and financial liabilities | Sensitivity analysis        | Forward foreign exchange contracts and natural hedge as sales are also demonstrated in foreign exchange. |
| Market-Commodity Price Risk   | Purchase of Copper  | Price Sensitivity           | Commodity Futures Contract   |
| Credit risk                   | Trade receivables   | Ageing analysis             | Sales are mainly done against Advance or Letters of Credit   |
| Liquidity risk                | Borrowings and other liabilities  | Rolling cash flow forecasts | Cash flow management   |

### a) Market Risk

#### i) Foreign Currency Risk

The Group operates at international level which exposes the Group to foreign currency risk arising from foreign currency transaction primarily from Imports, exports and foreign currency borrowing. Foreign currency risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency other than INR as on reporting date.

(Amount in ₹ lakh as of March 31, 2020)

| Particulars                 | ₹ In lakh  |
|-----------------------------|------------|
| Cash & cash equivalents     | -          |
| Trade Receivables           | 7114.00    |
| Trade Payables              | -          |
| Loans                       | (55664.08) |
| Others (if any)             | -          |
| Net Assets/ (-) Liabilities | (48550.08) |

(Amount in ₹ lakh as of March 31, 2019)

| Particulars                 | ₹ In lakh  |
|-----------------------------|------------|
| Cash & cash equivalents     | -          |
| Trade Receivables           | 32203.00   |
| Trade Payables              | -          |
| Loans                       | (68007.12) |
| Others (if any)             | -          |
| Net Assets/ (-) Liabilities | (35804.12) |

### Sensitivity



The sensitivity of profit or loss to changes in exchange rate arises mainly from foreign currency denominated financial instrument.

| Particulars     | Impact on profit before tax |                |
|-----------------|-----------------------------|----------------|
|                 | March 31, 2020              | March 31, 2019 |
| Increase by 5%  | 2,783.20                    | 3,400.36       |
| Decrease by 5 % | (2,783.20)                  | (3,400.36)     |

#### ii) Commodity Price Risk

The Group's exposure to Commodity price from copper price fluctuation in international market does not arise as the Group hedges all its imports through Future contracts at LME

#### b) Credit Risk

Credit risk refers to the risk of default on its obligation by the Debtors resulting in a financial loss. The Group sells majority of its products either against Advance from Customers or Letters of Credit. Accordingly, credit risk from Trade receivables has not been considered as credit risk.

#### Credit risk exposure

An analysis of age of Trade receivables at each reporting date is summarized as follows:

| Particulars  | (Amount in ₹ lakh) |           |
|--|--------------------|-----------|
|  | 31-Mar-20          | 31-Mar-19 |
|  | Gross              | Gross     |
| Not past due   | -                  | -         |
| Past not more than six months                            | 5712.45            | 29162.70  |
| Past due more than six months but not more than one year | 553.20             | 2247.62   |
| More than one year                                       | 2910.21            | 5687.28   |
| Total  | 9175.86            | 37097.60  |
| Less Allowances for Bad & Doubtful Debts                 | 886.51             | 942.77    |
| Net Debtors  | 8289.35            | 36154.83  |

Customer credit risk is managed by each business unit subject to the Group's established Marketing policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by letters of credit or other forms of credit insurance.

The maximum exposure to credit risk at the reporting date is ₹886.51 lakh for which full provision has been made in the accounts as disclosed in Note No 12.

#### Other financial assets

Credit risk relating to cash and cash equivalents is considered negligible because our counterparties are scheduled banks. We consider the credit quality of Term deposits with such banks as good as these banks are under the regulatory framework of Reserve Bank of India. We review these banking relationships on an ongoing basis.

#### c) Liquidity Risk

Our liquidity needs are monitored on the basis of monthly and yearly projections. The Group's principal sources of liquidity are cash and cash equivalents and cash generated from operations.

We manage our liquidity needs by continuously monitoring cash inflows and by striving to maintain adequate cash and cash equivalents. Net cash requirements are compared to available cash in order to determine any shortfall.

Short term liquidity requirements consists mainly of Loans, Sundry creditors, Expense payable, Employee dues arising during the normal course of business as of each reporting date. We strive to maintain a sufficient balance in cash and cash equivalents to meet our short term liquidity requirements.

The table below provides details regarding the contractual maturities of financial liabilities. The table has been drawn up based on the undiscovered cash flows of financial liabilities based on the earliest date on which the Group can be required to pay.



(Amount in ₹ lakh as of March 31, 2020)

| Particulars                         | On Demand       | Less than 3 months | 3 months to 1 year | 1-3 years       | 3-5 years       | 5-7 years   | Total            |
|-------------------------------------|-----------------|--------------------|--------------------|-----------------|-----------------|-------------|------------------|
| Short term borrowings (cash credit) | 13603.41        | -                  | -                  | -               | -               | -           | 13603.41         |
| Short term borrowings (Others)      | -               | 36800.00           | 19500.00           | -               | -               | -           | 56300.00         |
| Long Term Borrowings                | -               | 2175.00            | 10515.79           | 61548.29        | 12225.00        | -           | 86464.08         |
| <b>Total</b>                        | <b>13603.41</b> | <b>38975.00</b>    | <b>30015.79</b>    | <b>61548.29</b> | <b>12225.00</b> | <b>0.00</b> | <b>156367.49</b> |

(Amount in ₹ lakh as of March 31, 2019)

| Particulars                         | On Demand       | Less than 3 months | 3 months to 1 year | 1-3 years       | 3-5 years        | 5-7 years       | Total            |
|-------------------------------------|-----------------|--------------------|--------------------|-----------------|------------------|-----------------|------------------|
| Short term borrowings (cash credit) | 16503.81        | -                  | -                  | -               | -                | -               | 16503.81         |
| Short term borrowings (Others)      | -               | 22702.84           | -                  | -               | -                | -               | 22702.84         |
| Long Term Borrowings                | -               | 756.51             | 9982.04            | 32467.53        | 23147.58         | 1450.62         | 67804.28         |
| <b>Total</b>                        | <b>16503.81</b> | <b>23459.35</b>    | <b>9982.04</b>     | <b>32467.53</b> | <b>23,147.58</b> | <b>1,450.62</b> | <b>107010.93</b> |

NB: 1. Under RBI Notification No. RBI/2019-20/186 dated 27.03.2020 the scheduling of loan instalments has been given as per approval received from banks under COVID-19- Regulatory Package.

2. Under RBI Notification No. RBI/2019-20/244 dated 23.05.2020, the company has applied for deferral of loan instalments amounting to Rs 25350.00 lakh for a period of 3 months. The approvals are in process and hence effect of the same is not considered above. This is as per COVID-19- Regulatory Package.

## 6. Capital Management

For the purpose of the Group's capital management, capital includes issued equity capital and all other equity reserves attributable to the Group. The primary objective of the Group's capital management is to maximize the shareholder value.

22. With effect from April, 2019, the Group has adopted Ind AS 116. However, since the Group has no lease liabilities at present, Ind AS 116 has no financial impact on the accounts of the Group during the current financial year.
23. The physical verification of Semi-Finished and In-Process (WIP) and Finished Goods is conducted departmentally in all the units (ICC, KCC, MCP, TCP & GCP) at the end of the current year by a duly approved committee. Although, work orders were issued to independent agencies in all the units for carrying out physical stock verification of WIP and Finished Goods at the end of the financial year, due to PAN INDIA lockdown for COVID 19 pandemic the same could not to be completed at KCC & ICC since the work orders are issued to out-station parties through tendering process. However, the same have been completed in TCP, GCP & MCP since work orders are awarded to local firms in the said units.

In respect of stores and spares, physical verification has been conducted by the external agencies, located in and around the project site, in all the units during the year. Shortages/ (Excesses) identified on such physical verification have been duly adjusted in the books of accounts.

24. The physical verification of fixed assets which is required to be conducted every year so that all the units/offices are covered once in a block of three years interval. During the year, physical verification of fixed assets is to be conducted by external agencies in ICC, RCP, MCP & GCP. Although, work orders were issued to independent agencies, the work is not completed due to PAN INDIA lockdown for COVID 19 pandemic in ICC & RCP unit since the work orders are issued to outstation parties. However, the same has been completed at MCP & GCP unit.





**25. INTEREST IN OTHER ENTITIES**

**a) Subsidiary**

| Name of Entity                    | Nature of relationship | Proportion of shareholding | Country of incorporation |
|-----------------------------------|------------------------|----------------------------|--------------------------|
| Chhattisgarh Copper Limited (CCL) | Subsidiary             | 74%                        | India                    |

**b) Associate/Joint Venture**

| Name of Entity                      | Nature of relationship | Proportion of shareholding | Country of incorporation |
|-------------------------------------|------------------------|----------------------------|--------------------------|
| Khanij Bidesh India Limited (KABIL) | Joint Venture          | 30%                        | India                    |

(i) Commitments and contingent liabilities in respect of Associate/Joint Venture – NIL

**(c) Summarized financial information for Associate/Joint Venture**

(₹)

| Summarized Balance Sheet            | KABIL              |
|-------------------------------------|--------------------|
|                                     | 31.03.2020         |
| Cash & Cash Equivalents             | 1,58,39,059        |
| <b>Total Assets</b>                 | <b>1,58,39,059</b> |
| Equity Share Capital                | 2,50,00,000        |
| Other Equity                        | (92,13,841)        |
| Other Current Liabilities           | 52,900             |
| <b>Total Equity and Liabilities</b> | <b>1,58,39,059</b> |

(₹)

| Summarized Statement of Profit and loss        | KABIL              |
|--|--------------------|
|  | 31.03.2020         |
| <b>Total Income</b>                            | <b>Nil</b>         |
| Other Expenses                                 | 92,13,841          |
| <b>Total Expenses</b>                          | <b>92,13,841</b>   |
| <b>Profit/(Loss) Before Tax for the period</b> | <b>(92,13,841)</b> |
| <b>Profit/(Loss) After Tax for the period</b>  | <b>(92,13,841)</b> |

**26. The income tax expense for the year can be reconciled to the accounting profit as follows :**

₹ in lakh

|   | Year ended 31.03.2020 | Year ended 31.03.2019 |
|---|-----------------------|-----------------------|
| Profit / (Loss) before Tax  | (53756.84)            | 23009.85              |
| Income Tax expense calculated at 25.168% (34.944%)                    | -                     | 8040.56               |
| Effect of Deferred Tax balances due to the change in income tax rates | 1534.21               | (60.05)               |
| Income Tax effect of earlier years                                    | 842.18                | 472.18                |
| Others (net)  | 761.62                | 8.33                  |
| Income Tax expense recognized in profit or loss                       | 3138.01               | 8461.02               |

The Group elected to exercise the option permitted under Section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment Act, 2019). Accordingly the Group has recognised Provision for Income Tax for the year ended 31.03.2020 and remeasured its deferred tax assets/(liabilities) basis the rates prescribed in the said section.



27. During the year Nil (Previous year 65,000 nos.) equity shares of face value ₹10/- each have been issued to Chattisgarh Mineral Development Corporation Limited by Chattisgarh Copper Limited for providing consultancy services and no consideration has been received in cash. This represents 26% of the share capital of Chhattisgarh Copper Limited.
28. The value of assets, other than fixed assets and non-current assets, have realizable value at least equal to the amount at which they are stated.
29. Gujarat Copper Project of the Group consists of three units namely, Anode furnace (Smelter), Refinery and Kaldo Furnace having aggregate book value of ₹24536.34 lakh as at March 31,2020. The Anode Furnace and Refinery unit has been commissioned in October 2016 while Kaldo unit is commissioned on 25.05.2020. Since commissioning, the Anode Furnace and Refinery units are being operated at a sub optimal level for want of feed stock. GCP being a secondary smelter, the feed stock are copper scrap, copper blister, liberator cathode etc. The Group has not been able to source these materials in the required quantity resulting in suboptimal operations. Management is exploring various alternative source to make the plant operative.
30. Copper ore tailing (COT) beneficiation plant was set up at MCP unit for extraction of valuable minerals and metals from copper ore tails with a capacity of 10000 tonnes per day (TPD) at an estimated cost of ₹20000 lakh. The intermittent trial run failed on number of occasions (chockage/ spillage, stoppages, cleaning etc) and the quality and quantity of products achieved at various stages are not as per the parameters envisaged in contract agreement. A preliminary notice was issued to the party to complete the project and commission the same. The party agreed to commission the plant, but the progress of the work at site was stopped due to lockdown for COVID-19 pandemic. Under this circumstances, the Group thinks it prudent to extend the timeline upto 31.08.2020 for supply, erection of the thickener and commission of the plant.
31. During the year, a Joint Venture Company (JVC) named Khanij Bidesh India Limited (KABIL) was formed on 01.08.2019 among National Aluminium Company (NALCO), Hindustan Copper Limited (HCL) and Mineral Exploration Corporation Limited (MECL) to identify, explore, acquire, develop, process primarily strategic minerals overseas for supply to India for meeting domestic requirements and for sale to any other countries for commercial use. HCL holds 30% equity in JVC. HCL has invested 30,000 equity shares of ₹10.00 each totaling to ₹3.00 lakh. Further, an advance of ₹72.00 lakh is lying in the books of accounts at the year end for allotment of 7,20,000 shares of ₹10.00 each against which a provision of ₹27.64 lakh has been made towards share of loss in Joint Venture.
32. In MCP unit, there is Mill Scat of 2379816.031 MT (estimated quantity) containing metal content of 4112.322 CMT (estimated quantity) which is generated during the milling process. The Scat quantity had been stored over the years of production and needs to be reprocessed for recovering the active metal with the involvement of secondary crushing and grinding. The expected recovery from Scat having average grade of 0.18% copper would be around 75 to 80%. Further, the scope for beneficiation of the existing Mill Scat metal through processes and treatment is not possible due to non-availability of existing matching concentrator plant. Since the Mill Scat of 2379816.031 MT (estimated quantity) (4112.322 CMT) have low grade of copper percentage and do not have any realisable value at present, the in-house team of MCP considers that it is prudent to make a provision amounting to ₹12010.05 lakh in the books of accounts. Also the in-house team of the unit considers that it is prudent to make a provision for lean ore of 2567.255 CMT (estimated quantity), having grade of 0.29%, amounting to ₹6321.75 lakh since the entire quantity of lean ore cannot be processed for production of concentrate independently without mixing with crusher ore having high grade in order to achieve the average cut-off grade. Based on all the above aspects, full provision for Mill Scat and Lean Ore amounting to ₹18331.80 lakh (₹12010.05 lakh + ₹6321.75 lakh) has been made in the current year.

KCC unit have also reconciled the closing stock of Work in Progress & Finished Goods and identified the differences in respect of copper content as 323.987 CMT valuing ₹1126.34 lakh (considering stock valuation rate as on 31.03.2020) arising out of mismatch of copper content based on Delivery Order quantity and actual copper content as per R&D report for the period 2016-17 to 2019-20 and also identified the differences in respect of copper content as 481.262 CMT valuing ₹1673.11 lakh (considering stock valuation rate as on 31.03.2020) arising out of reconciliation of difference of handling losses during dispatch of copper concentrate from discharge point to bedding building for storage through loader, loss through tyres of loading equipments during dispatch and to and fro movement of trucks till the final weighment clearance for the period 2009-10 to 2019-20 which are duly checked and certified by an independent Chartered Accountant firm. Moreover, in-house team of KCC has identified that 850.000 CMT of copper concentrate



valuing ₹2955.04 lakh (considering stock valuation rate as on 31.03.2020) is lying at the bottom of bedding building which is mixed with floor concrete, impurities, stones etc. as well as partially oxidized and there is also heavy lump formation over a period of several years which is not suitable for pyro-metallurgical plant, making it unrealizable and hence the same is being treated as dead stock. Based on all the above aspects, 1655.249 CMT (323.987 CMT + 481.262 CMT + 850.000 CMT) valuing ₹5754.49 lakh (₹1126.34 lakh + ₹1673.11 lakh + ₹2955.04 lakh) has been written off during the current year as one-time adjustment of closing stock.

ICC unit have also reconciled the closing stock of Work in Progress & Finished Goods and identified the differences in respect of copper content as 3837.429 CMT valuing ₹9953.90 lakh (considering stock valuation rate as on 31.03.2020) against receipt of copper concentrate from MCP arising out of mismatch of copper content based on provisional data of MCP and actual copper content as per analysis done at ICC for the period 2008-09 to 2019-20 and also reconciled the differences in respect of copper content as 3149.000 CMT valuing ₹8168.20 lakh (considering stock valuation rate as on 31.03.2020) being the difference of average metal loss considered in inventory valuation vis-à-vis actual average metal loss in Granulated Copper Dump Slag for the period 2008-09 to 2019-20 which are duly checked and certified by an independent CA firm. Moreover, in-house team of ICC has identified 706.965 CMT of copper concentrate valuing ₹1833.80 lakh (considering stock valuation rate as on 31.03.2020) mixed with impurities as well as partially oxidized over a period of several years, making it unrealizable and hence the same is being treated as dead stock. Based on all the above aspects, 7693.394 CMT (3837.429 CMT + 3149.000 CMT + 706.965 CMT) valuing ₹19955.90 lakh (₹9953.90 lakh + ₹8168.20 lakh + ₹1833.80 lakh) has been written off during the current year as one-time adjustment of closing stock.

Based on all the above facts, the closing stock as on 31.03.2020 is reduced by ₹25710.39 lakh (₹5754.49 lakh + ₹19955.90 lakh) due to one-time write off of closing stock of KCC & ICC respectively. Further provision amounting to ₹18331.80 lakh has been made against Mill Scat and Lean Ore at MCP, which are not presently in use and have no realisable value at present.

The Group has modified the Standard Operating Procedure (SOP) on Inventory Management, duly verified and certified by an independent CA firm, addressing all the above issues to strengthen the reconciliation of inventory as an ongoing activity.

33. Consequent upon the Judgment of Common Cause dated 02.08.2017, which is applicable only to the mining leases of iron and manganese ore, passed by the Apex court in the case of Common Cause Vs UOI and others, a demand of ₹4353.78 lakh was raised by the District Mining Officer of Jamshedpur for running the Surda mine without valid environment clearance (EC) although Surda mine has a valid mining lease, forest clearance and it has adhered to the terms of approved mining plan and it was working on valid Consent to Operate. Based on the Revision Application filed by the Group, the Revisional Authority of the Ministry of Mines, after hearing at length both parties had issued specific direction against the District Mining Officer (DMO) not to take any coercive measures in terms of recovery of the said demand. On revision of demand from ₹4353.78 lakh to ₹12690.49 lakh by the office of the District Mining Officer and subsequently revised to ₹92940.06 lakh by the State Government, the Group again appealed before the Revisional Authority and hearing was held on 14.11.2019 and interim stay is granted by the Revisional Authority till the next date of hearing. Since at present mining leases of copper ore are not included under Common Cause Judgement, the Management, based on the legal opinion, is of the view that the same has not to be shown as Contingent Liability as on 31.03.2020.
34. The spread of Covid 19 has affected the business operations of the Group in all the units due to lock down declared by the Government. The Group has taken various measures in consonance with the Government advisories to contain the pandemic, which included closing of mining and operational activities across the Group. However, Government has allowed to resume its operation in all the units during April 2020 & May 2020.

Given the uncertainty of quick turnaround to normalcy, post lifting of the closure, the Group has carried out a comprehensive assessment of possible impact on its business operations, financial assets, contractual obligations and its overall liquidity position, based on the internal and external sources of information and application of reasonable estimates. Management will continue to monitor any material changes arising due to the impact of this pandemic on financial and operational performance of the Group and take necessary measures to address the situation.

35. The previous year's figures have been regrouped / rearranged, wherever necessary.



39. GENERAL NOTES ON ACCOUNTS :  
Additional information forming part of accounts for year ended March 31, 2020  
39.1 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         | Value ₹ in lakh        | Quantity         | Value ₹ in lakh        | Quantity         | Value ₹ in lakh        |  |
| Manufacturing Activities                  |      |                    |   |                   |                  |                        |                  |                        |                  |                        |  |
| a. Main products                          |      |                    |   |                   |                  |                        |                  |                        |                  |                        |  |
| 1. Wire bar *                             | MT   | 39400<br>(39400)   | 39400<br>(39400)                                | -<br>(-)          | -<br>(-)         | -<br>(-)               | -<br>(-)         | -<br>(-)               | -<br>(-)         | -<br>(-)               | -<br>(-)   |
| 2. Wire rod                               | MT   | 60000<br>(60000)   | 60000<br>(60000)                                | 4108<br>(13866)   | 160<br>(51)      | 653.63<br>(226.02)     | 21<br>(160)      | 83.00<br>(653.63)      | 4247<br>(13756)  | 18989.96<br>(63861.13) | -<br>(-)   |
| 3. Cathode including Toll Smelted Cathode | MT   | 99500<br>(99500)   | 68500**<br>(68500)                              | 5340<br>(16215)   | 290<br>(440)     | 1206.61<br>(1648.41)   | 2<br>(290)       | 7.06<br>(1206.61)      | 1492<br>(2564)   | 6608.09<br>(11870.82)  | 4137<br>(13801)  |
| 4. Metal in Concentrate                   | CMT  |                    |   | 26502<br>(32439)  | 16786<br>(20850) | 39933.39<br>(47859.28) | 10340<br>(16786) | 33292.12<br>(39933.39) | 12669<br>(21953) | 50824.96<br>(91087.80) | 20279<br>(14549)   |
| b. By products                            |      |                    |   |                   |                  |                        |                  |                        |                  |                        |  |
| 1. Gold                                   | KG   | 264<br>(264)       | 698<br>(698)                                    | -<br>(-)          | -<br>(-)         | -<br>(-)               | -<br>(-)         | -<br>(-)               | -<br>(-)         | -<br>(-)               | -<br>(-)   |
| 2. Silver                                 | KG   | 4763<br>(4763)     | 9868<br>(9868)                                  | -<br>(-)          | -<br>(-)         | -<br>(-)               | -<br>(-)         | -<br>(-)               | -<br>(-)         | -<br>(-)               | -<br>(-)   |
| 3. Nickel sulphate                        | MT   | 250<br>(250)       | 390<br>(390)                                    | -<br>(-)          | -<br>(-)         | -<br>(-)               | -<br>(-)         | -<br>(-)               | -<br>(-)         | -<br>(-)               | -<br>(-)   |
| 4. Selenium                               | KG   | 10000<br>(10000)   | 14600<br>(14600)                                | -<br>(-)          | -<br>(-)         | -<br>(-)               | -<br>(-)         | -<br>(-)               | -<br>(-)         | -<br>(-)               | -<br>(-)   |
| 5. Sulphuric acid                         | MT   | 236000<br>(236000) | 236000<br>(236000)                              | 5943<br>(15445)   | 1266<br>(1696)   | 98.36<br>(82.16)       | 976<br>(1266)    | 59.20<br>(98.36)       | 5514<br>(14414)  | 294.52<br>(912.36)     | 718<br>(1461)  |
| c. Allied and semi- Finished products     |      |                    |   |                   |                  |                        |                  |                        |                  |                        |  |
| 1. Anode slime                            | MT   | NA<br>(NA)         | -<br>(-)  | 5<br>(48)         | 25<br>(6)        | 1993.86<br>(289.27)    | 5<br>(25)        | 610.34<br>(1393.86)    | 25<br>(29)       | 1996.80<br>(3291.45)   | -<br>(-)   |
| 2. Copper mould                           | MT   | NA<br>(NA)         | -<br>(-)  | -<br>(-)          | -<br>(-)         | -<br>(-)               | -<br>(-)         | -<br>(-)               | -<br>(-)         | -<br>(-)               | -<br>(-)   |
| 3. Kyanite                                | MT   | NA<br>(NA)         | -<br>(-)  | -<br>(-)          | -<br>(-)         | -<br>(-)               | -<br>(-)         | -<br>(-)               | -<br>(-)         | -<br>(-)               | -<br>(-)   |
| 4. Others                                 | MT   | NA<br>(NA)         | -<br>(-)  | -<br>(-)          | -<br>(-)         | -<br>(-)               | -<br>(-)         | -<br>(-)               | -<br>(-)         | 1602.32<br>(-)         | ****   |

Notes to Consolidated Financial Statements (Contd...)

(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       | Value ₹ in lakh                      | Quantity        | Value ₹ in lakh                      | Quantity | Value ₹ in lakh                       |   |
| d. Work in progress |      | NA)               | (-)   |                   |                |                                      |                 |                                      |          |                                       |   |
| i) Metal in Ore     |      |                   |   | 31131<br>(35881)  | 5762<br>(6541) | 8842.32<br>(7209.48)                 | 40080<br>(5762) | 5901.71<br>(8842.32)                 | -        | -                                     | (3187)<br>(36661)   |
| ii) Other WIP       |      |                   |   |                   |                | 7297.28<br>(16447.57)                | ***             | 24585.60<br>(7297.28)                | ****     |                                       |   |
| <b>GRAND TOTAL</b>  |      |                   |   |                   |                | <b>59425.45</b><br><b>(73762.19)</b> |                 | <b>64539.03</b><br><b>(59425.45)</b> |          | <b>80316.65</b><br><b>(175343.85)</b> |   |

Note :

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

\*\*Although the Installed Capacity of Cathode is shown as 99500 MT (KCC - 31000 MT & ICC - 18500 MT, GCP - 50000 MT), due to economic consideration the Company suspended KCC Smelter & Refinery from December 2008.

|  | Copper Sulphate | Reverts | Liberator/ Electroworn Cathode | Magnetic/ Red/Copper Jam | Anode Slag | Anode floor/Anode in cell | Scrap   | Others   | Total    |
|--|-----------------|---------|--------------------------------|--------------------------|------------|---------------------------|---------|----------|----------|
| *** Opening Work in progress includes  |                 |         |                                |                          |            |                           |         |          |          |
| Current year                           | 10.58           | 611.25  | -                              | 70.71                    | 1.31       | 3348.59                   | 692.23  | 2562.62  | 7297.28  |
| Previous year                          | 178.97          | 2076.64 | 9.35                           | 4.93                     | 1743.48    | 2577.63                   | 1304.64 | 8551.93  | 16447.57 |
| **** Closing Work in progress includes |                 |         |                                |                          |            |                           |         |          |          |
| Current year                           | 10.63           | 642.17  | -                              | 11.64                    | 0.85       | 872.09                    | 229.91  | 22818.31 | 24585.60 |
| Previous year                          | 10.58           | 611.25  | -                              | 70.71                    | 1.31       | 3348.59                   | 692.23  | 2562.62  | 7297.28  |

| ****Other Sales value includes | Copper Sulphate | Reverts | Liberator/ Electroworn Cathode | Magnetic/ Red/ Copper Jam | Anode Slag | Granulated Slag | Copper Dust | Copper Ash/ Residue | Others | TOTAL   |
|--------------------------------|-----------------|---------|--------------------------------|---------------------------|------------|-----------------|-------------|---------------------|--------|---------|
| Current year                   | 217.70          | 815.98  | 22.32                          | -                         | 0.06       | 401.21          | 7.56        | 69.54               | 67.95  | 1602.32 |
| Previous Year                  | 717.04          | 2027.10 | 95.54                          | 30.35                     | 8.22       | 346.95          | 139.25      | 78.89               | 876.95 | 4320.29 |



**Additional information forming part of accounts for year ended March 31, 2020**

**39.2 Raw materials consumed**

|                                      | Quantity                |                         | Value                   |                         |
|--------------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
|                                      | Year ended<br>2019-2020 | Year ended<br>2018-2019 | Year ended<br>2019-2020 | Year ended<br>2018-2019 |
|                                      | CMT                     | CMT                     | (₹ in lakh)             | (₹ in lakh)             |
| Concentrate own production           | 5948                    | 14549                   | 16060.14                | 33438.35                |
| Concentrate excluding own production | -                       | -                       | -                       | -                       |
| Cathode                              | -                       | -                       | -                       | -                       |

**39.3 Imported and indigenous raw materials, stores spare parts and components consumed (as certified by the management)**

|                       | %             | %             |               |                |
|-----------------------|---------------|---------------|---------------|----------------|
| <b>RAW MATERIALS:</b> |               |               |               |                |
| Imported              | 95            | 92            | 461.39        | 5741.43        |
| Indigenous            | 5             | 8             | 21.90         | 528.14         |
|                       | <b>100.00</b> | <b>100.00</b> | <b>483.29</b> | <b>6269.57</b> |

**STORES & SPARES:**

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

|            |               |               |                 |                 |
|------------|---------------|---------------|-----------------|-----------------|
| Imported   | 1             | 4             | 157.95          | 882.50          |
| Indigenous | 99            | 96            | 16298.30        | 20448.64        |
|            | <b>100.00</b> | <b>100.00</b> | <b>16456.25</b> | <b>21331.14</b> |

**39.4 C.I.F. Value of imports**

|                                    |               |                |
|------------------------------------|---------------|----------------|
| Raw Material                       | 461.39        | 5741.43        |
| Components, spare parts and stores | 226.60        | 1444.00        |
|                                    | <b>687.99</b> | <b>7185.43</b> |

**39.5 Expenditure in foreign currency**

|            |               |                |
|------------|---------------|----------------|
| Travelling | 67.84         | 85.64          |
| Others     | 753.39        | 7185.52        |
|            | <b>821.23</b> | <b>7271.16</b> |

**39.6 Earning in foreign Exchange**

|                       |                 |                 |
|-----------------------|-----------------|-----------------|
| Export of Goods (FOB) | 46129.33        | 84267.33        |
|                       | <b>46129.33</b> | <b>84267.33</b> |

**39.7 Payment to Whole Time Directors**

|   |               |               |
|---|---------------|---------------|
| Salaries and allowances                             | 153.84        | 186.11        |
| Company's contribution to provident and other funds | 13.18         | 13.99         |
| Re-imbursment of Medical expenses                   | 1.06          | 0.53          |
| Leave Encashment                                    | 32.83         | 13.23         |
| Gratuity  | 20.00         | 10.00         |
| Other Benefits                                      | <b>29.68</b>  | <b>26.21</b>  |
|   | <b>250.59</b> | <b>250.07</b> |

**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











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