

वार्षिक प्रतिवेदन
Annual Report
2016 - 2017



हिन्दुस्तान कॉपर लिमिटेड
Hindustan Copper Limited

A Miniratna Category - 1 CPSE
www.hindustancopper.com

Vision

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

Mission

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



HINDUSTAN COPPER LIMITED

(A Government of India Enterprise)

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1 Ashutosh Chowdhury Avenue		
Kolkata - 700 019, India		
Tel No. : (033) 2283 2226, 2283 2529		
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E-mail : investors_cs@hindustancopper.com		
CIN : L27201WB1967GOI028825		
Website : www.hindustancopper.com		

Important Communication to Members

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

Fiftieth Annual General Meeting on Tuesday, 22nd August, 2017 at 10:30 a.m.

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



BOARD OF DIRECTORS



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



Shri N. K. Singh
Government Nominee Director



Shri Subhash Chandra
Government Nominee Director



Shri Anupam Anand
Director (Personnel)



Shri V. V. Venugopal Rao
Director (Finance)



Shri S. K. Bhattacharya
Director (Mining)



Shri Santosh Sharma
Director (Operations)



Ms. Simantini Jena
Independent Director



Shri Hemant Mehtani
Independent Director



Shri Dileep Raj Singh Chaudhary
Independent Director



Shri Niranjana Pant
Independent Director

As on date of printing



HINDUSTAN COPPER LIMITED

(CIN: L27201WB1967GOI028825)

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

Website: www.hindustancopper.com

NOTICE TO THE MEMBERS

Notice is hereby given that 50th Annual General Meeting of the members of Hindustan Copper Ltd will be held on Tuesday, the 22nd August, 2017 at 10:30 am at the registered office of the Company at 'Tamra Bhavan' 1 Ashutosh Chowdhury Avenue, Kolkata-700 019 (opposite to Ice Skating Hall / Modern High School for Girls) to transact the following business :-

Ordinary Business

- 1) To receive, consider and adopt the audited Financial Statement for the year ended 31st March, 2017 together with the Reports of the Directors, Auditors and C&AG.
- 2) To declare dividend on equity shares.
- 3) To appoint a director in place of Shri Sanjay Kumar Bhattacharya (DIN 07276836), who retires by rotation and is eligible for reappointment.
- 4) To appoint a director in place of Shri Santosh Sharma (DIN 07431945), who retires by rotation and is eligible for reappointment.
- 5) To fix remuneration of the Auditors.

Special Business

- 6) To consider and, if thought fit, to pass with or without modifications, the following resolution as Ordinary Resolution:
"RESOLVED THAT pursuant to Section 152 and all other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), appointment of Shri Subhash Chandra (DIN 07612049) as Director on the Board of the Company with effect from 20.10.2016 in terms of Ministry of Mines' order No. 10(2)/2002-Met.III dated 20.10.2016 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 Niranjana Kumar Singh (DIN 03361541) as Director on the Board of the Company with effect from 15.3.2017 in terms of Ministry of Mines' order No. 10/2/2002-Met.III dated 15.3.2017 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 148 of the Companies Act, 2013 and Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the remuneration of ₹60,500/- (Rupees sixty thousand five hundred only) plus service tax as applicable and reimbursement of actual travel and out-of-pocket expenses as recommended by the Audit Committee and approved by the Board of Directors, to be paid to M/s. Chatterjee & Co, Kolkata appointed, as Cost Auditor, to conduct audit of cost records of the Company for the financial year 2017-18 be and is hereby ratified and confirmed."
- 9) To consider and, if thought fit, to pass with or without modifications, the following resolution as Special Resolution:
"RESOLVED THAT pursuant to the provisions of Section 42 and 71 of the Companies Act, 2013 ('the Act') and Rules made there under, the Securities and Exchange Board of India (Issue & Listing of Debt Securities) Regulations, 2008 and other applicable laws, rules & regulations including any amendment, modification, variation or re-enactment thereof and the provisions of the Memorandum and Articles of Association of the Company and subject to such other approval(s) as may be necessary, consent of the Company be and is hereby accorded to the Board of Directors, to offer, issue and allot, in one or more tranches, Secured or Unsecured Non-convertible Debentures / Bonds on private placement basis amounting to the balance of the already approved limit of ₹800 crore by shareholders under Section 180(1)(c) of the Act on 23.03.2015, on such terms and conditions and at such times, at par or at premium, and to such person or persons, as may be decided by the Board or a Committee of the Board, however that the aggregate amount of funds to be raised by issue of Non-convertible Debentures/Bonds shall not exceed the limit of ₹800 crore together with interest as approved by the shareholders."
"RESOLVED FURTHER that in connection with the above, the Board or the Committee of the Board be and is hereby authorized to do all such acts, deeds, matters and things as may be deemed necessary, desirable, proper or expedient for the purpose of giving effect to this resolution and for matters connected therewith or incidental thereto including appointment of Counter parties/ intermediaries required in the process of such issuance."

By order of the Board
C S Singhi
GM & Co Secretary
FCS 2570

Date: 24.7.2017



NOTICE TO THE MEMBERS (Contd.)

NOTES:

- 1) **A member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself / herself and the proxy need not be a member of the Company. Proxies, in order to be valid and effective, must be deposited at the registered office of the Company not less than 48 hours before the commencement of the meeting. A person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person cannot act as a proxy for any other person or shareholder.**
- 2) Statement pursuant to Section 102(1) of the Companies Act, 2013 (the Act), in respect of Item no 6 to 9 as set out above is annexed hereto. Route Map indicating venue of the Annual General Meeting (AGM) is given at the end of the Notice.
- 3) The Register of Members and Share Transfer Books of the Company will remain closed from 17th August, 2017 to 22nd August, 2017 (both days inclusive).
- 4) Dividend on equity shares as recommended by the Board, if approved at the meeting will be paid within 30 days of declaration to those members whose names appear in the Company's Register of Members and as per beneficial owners position received from NSDL & CDSL as at the close of working hours on 16th August, 2017.
- 5) Members are requested to notify immediately change in their address and Bank mandate, if any, to the Depository Participants (DPs) in respect of their electronic shares, and to the Company at its registered office in respect of their physical shares, quoting the folio numbers.
- 6) Members desirous of getting any information about the accounts and operations of the Company or intending to raise any query at the AGM are requested to forward the same at least 10 days prior to the date of the meeting to the Company Secretary at the registered office of the Company so that the information required can be made readily available at the meeting.
- 7) Corporate members are requested to send a duly certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.
- 8) Members are requested to provide their Bank Account details (including MICR No., IFSC Code, Account Type etc.) to their Depository Participant if the shares are held in demat form. In case the shares are held in physical form, such details along with a cancelled cheque should be sent to the the Company's Registrars & Share Transfer Agent (RTA), M/s. C B Management Services (P) Limited in order to enable the Company to credit the dividend amount directly to their Bank account. In case of non availability of MICR No. and IFSC Code, Dividend Warrant will be sent after mandatorily printing the Bank particulars on it. Further, members holding shares in dematerialized form and not submitted National Electronic Clearing System (NECS) form may please note that the bank account details as provided by their Depository Participants to the Company will be printed on the dividend warrants. The Company will not entertain any direct request from such members for deletion of or change in such Bank Account details. As such, they are requested to immediately intimate their Depository Participants about any changes in their bank account details.
- 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. Members holding share in electronic form are requested to register/ update e-mail address with their respective DPs.
- 10) Members holding shares in physical form are requested to convert their shares in demat mode to avail easy liquidity and to prevent incidence of loss of physical share certificate.
- 11) Relevant documents referred to in the Notice are open for inspection at the registered office of the Company on all working days (barring Saturday, Sunday and Holidays) between 11:00 a.m. to 1:00 p.m. up to the date of the AGM.
- 12) Members are requested to:-
 - a. produce the enclosed Attendance Slip duly filled & signed as per specimen signature recorded with the Company / DPs for admission to the meeting venue.
 - b. bring their Client ID and DP ID numbers for easy identification of attendance at the meeting in respect of shares held in dematerialized form.
 - c. bring their copy of Annual Report to the meeting as extra copies shall not be provided.
 - d. quote their Folio / Client ID & DP ID Nos in all correspondence.



NOTICE TO THE MEMBERS (Contd.)

- e. note that due to security reasons, brief case, eatables and other belongings are not allowed inside the meeting venue.
- 13) Voting through electronic means:
- I. As per Section 108 of the Act and Rules notified there under and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is providing its members the facility to exercise their right to vote on resolutions proposed to be considered at the 50th AGM by electronic means. The facility of casting the votes by the members using electronic voting system from a place other than venue of the AGM (remote e-voting) will be provided by National Securities Depository Limited (NSDL).
 - II. A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date of 16th August, 2017 only shall be entitled to avail the facility of remote e-voting or voting at the AGM. A person who is not a member as on cut-off date should treat this Notice for information purposes only.
 - III. The facility for voting through ballot process shall be made available at the AGM and the members attending the AGM who have not cast their vote through remote e-voting shall be able to exercise their rights at the AGM. (Note: Ballot process may be carried out by distributing ballot / poll slips or by making arrangement for voting through computer or secure electronic systems as may be decided by the Company)
 - IV. A member who has cast his vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to vote again and his vote, if any, cast at the AGM shall be treated as invalid
 - V. The remote e-voting period commences on 19th August, 2017 (9:00 am) and ends on 21st August, 2017 (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 16th August, 2017, 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.
 - VI. The process and manner for remote e-voting are as under:
 - A. In case a member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)]:
 - (i) Open email and open PDF file viz; "remote e-voting.pdf" with your Client ID or Folio No as password. The said PDF file contains your user ID and password for remote e-voting. Please note that the password is an initial password. (NOTE: Shareholders already registered with NSDL for e-voting will not receive the PDF file "remote e-voting.pdf".)
 - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
 - (iii) Click on Shareholder - Login
 - (iv) Put your user ID and password. Click Login.
 - (v) Password change menu appears. Change the password/ PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
 - (vii) Select "EVEN" (Remote E-Voting Event Number) of Hindustan Copper Ltd.
 - (viii) Now you are ready for remote e-voting as Cast Vote page opens.
 - (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
 - (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
 - (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
 - (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to navin.kothari@yahoo.com with a copy marked to evoting@nsdl.co.in.
 - B. In case a member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy]:
 - (i) Initial password is provided as below/at the bottom of the Attendance Slip for the AGM:

<u>EVEN (Remote e-voting Event Number)</u>	<u>USER ID</u>	<u>PASSWORD/ PIN</u>
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 - (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) of A above, to cast vote.



NOTICE TO THE MEMBERS (Contd.)

- VII. In case of any query, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.
- VIII. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. [NOTE: Shareholders who forgot the User Details/Password can use "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com. In case Shareholders are holding shares in demat mode, USER-ID is the combination of (DPID+ClientID). In case Shareholders are holding shares in physical mode, USER-ID is the combination of (Even No+Folio No).]
- IX. You can also update your mobile number and e-mail id in the user profile details of the folio, which may be used for sending future communication(s).
- X. 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 16th August, 2017.
- XI. Any person, who acquires shares of the Company and become member of the Company after dispatch of the AGM Notice and holding shares as of the cut-off date i.e. 16th August, 2017, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or to the RTA of the Company.
- XII. 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 providing facility to the members of the Company to scrutinize the remote e-voting and voting process at the AGM in a fair and transparent manner.
- XIII. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of Scrutinizer for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- XIV. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or any other Director authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- XV. The Result of the voting with details of number of votes cast for and against the resolutions, invalid votes and whether the resolutions have been carried or not shall be displayed on the Notice Board of the Company at its registered and corporate office immediately after the declaration of result by the Chairman or a Director authorized by him in writing. Further, the results of the voting along with the Scrutinizer's Report shall also be placed on the Company's website www.hindustancopper.com and on the website of NSDL. The results shall also be immediately forwarded to the stock exchanges.
- XVI. Name, designation, address, e-mail ID and phone number of the person responsible to address the grievances connected with the e-voting is given:

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



NOTICE TO THE MEMBERS (Contd.)

ANNEXURE TO NOTICE

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

Item No 6

Shri Subhash Chandra has been appointed as part time non-official Director of the Company with effect from 20.10.2016 in terms of Ministry of Mines' order No. 10(2)/2002-Met.III dated 20.10.2016. It is now proposed to regularize his appointment at the ensuing 50th AGM of the Company in order to comply with the relevant provisions of the Act.

Born on 14.4.1965, Shri Subhash Chandra is an Indian Forest Service (IFS) officer presently working as Joint Secretary, Ministry of Mines, Government of India (MoM). Shri Chandra is MSC and LLB. He has worked over 25 years as a Forester with the Government of India. Shri Chandra has taken several key initiatives for the development of mining sector in the country. He has spearheaded the development of a Mining Surveillance System (MSS) for curbing illegal mining using Satellite imagery. MSS is a satellite-based monitoring system which aims to establish a regime of responsive mineral administration, through public participation, by curbing instances of illegal mining activity through automatic remote sensing detection technology. He is currently involved in the implementation of Mining Tenement System which automates the entire mining life-cycle using IT in the country and automating the various functions of IBM.

Shri Chandra is also a Director on the Board of National Aluminium Company Ltd and Bharat Gold Mines Ltd. Shri Chandra does not hold any share in the Company. The Board considers that his continued association would be of immense benefit to the Company and recommends his appointment as Director of the Company. None of the Directors, Managers and other Key Managerial Personnels (KMP) of the Company is related to Shri Chandra. Shri Chandra attended all five Board meetings held during 2016-17 after his appointment. Except Shri Chandra, none of the Directors or KMPs 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 Niranjana Kumar Singh has been appointed as part time non-official Director of the Company with effect from 15.3.2017 in terms of Ministry of Mines' order No. 10/2/2002-Met.III dated 15.3.2017. It is now proposed to regularize his appointment at the ensuing 50th AGM of the Company in order to comply with the relevant provisions of the Act.

Born on 1.1.1962, Shri Singh is an Indian Forest Service (IFS) officer working as Joint Secretary, MoM. Shri Singh is B.Tech in Mining Engineering from Indian School of Mines, Dhanbad and Ph.D on the topic "Estimation of Gross Domestic Product of Forestry Sector in the State of Gujarat". Shri Singh had served in various capacities in the Centre and State Government including as Director in the Planning Commission, Government of India and Department of Land Resources, Ministry of Rural Development, Government of India. He also served as Managing Director, Gujarat Agro Industries Corporation Ltd. for the development of agri-infrastructure and food processing sector in the State.

Shri Singh is also a Director on the Board of National Aluminium Company Ltd and Mineral Exploration Corporation Ltd (MECL). He is also Member of Audit Committee of MECL. Shri Singh does not hold any share in the Company. The Board considers that his continued association would be of immense benefit to the Company and recommends his appointment as Director of the Company. None of the Directors, Managers and other KMPs of the Company is related to Shri Singh. Shri Singh attended one Board meeting which was held during 2016-17 after his appointment. Except Shri Singh, none of the Directors or KMPs 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

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 financial year 2017-18 at a remuneration of ₹60,500/- (Rupees sixty thousand five hundred only) plus service tax as applicable and reimbursement of actual travel and out-of-pocket expenses. In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the members of the Company. Accordingly, the Ordinary Resolution at Item No.8 of the Notice requires approval and ratification by members of the Company.

None of the Directors or KMP of the Company or their relatives is in any way, concerned or interested, financially or otherwise in the resolution set out at Item No 8.

Item No. 9

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

In view of the above, approval of the Shareholders of the Company is being sought to authorize the Board of Directors to make offer(s) or invitation(s), in one or more tranches, to subscribe to the Secured or Unsecured non convertible Debentures/



NOTICE TO THE MEMBERS (Contd.)

Bonds on private placement basis amounting to the balance of already approved limit of ₹800 crores by Shareholders under Section 180 (1) (c) of the Act on 23.3.2015, on such terms and conditions, as may be approved by the Board.

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

None of the Directors or KMP of the Company or their relatives is in any way, concerned or interested, financially or otherwise in the resolution set out at Item No 9.

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

Shri Sanjay Kumar Bhattacharya

Shri Sanjay Kumar Bhattacharya assumed charge of the post of Director (Mining) on 15.9.2015 in terms of MoM Order No. 10/9/2014-Met.III (Vol.I) dated 14.9.2015. Prior to joining the Board, Shri Bhattacharya was General Manager (Mines) at Malanjkhand Copper Project of the Company.

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

Shri Bhattacharya does not hold directorship in other companies. He also does not hold any share in the Company. None of the Directors, Manager and other KMPs of the Company is related to Shri Bhattacharya. Shri Bhattacharya attended all eight Board meetings of the Company held during 2016-17.

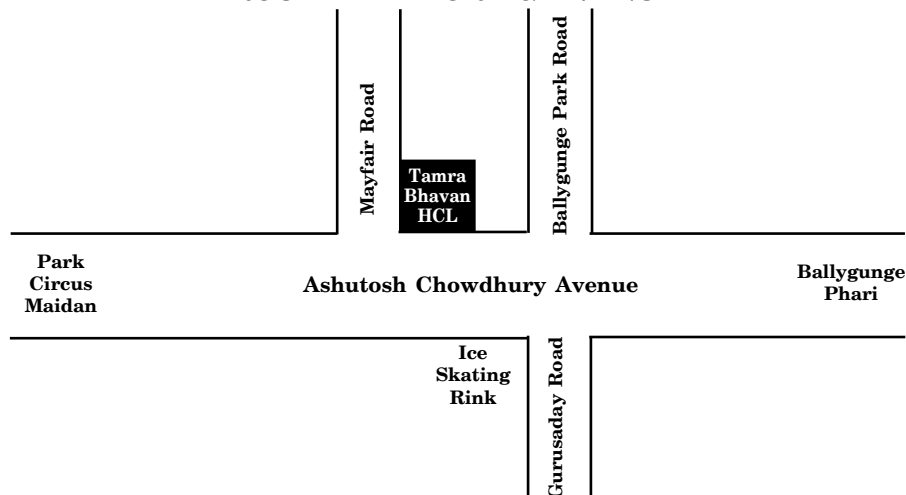
Shri Santosh Sharma

Shri Santosh Sharma has taken over as Director (Operations) of the Company with effect from 1.3.2016 in terms of MoM Order No. 10/1/2015-Met.III (Vol. I) dated 24.2.2016. Shri Sharma joined the Company as General Manager (Operations) on 26.04.2013 and thereafter, he became Executive Director (Operations) and also assumed charge as Unit Head of Gujarat Copper Project, a unit of the Company in June, 2015

Born on 1.1.1960, Shri Sharma is BE (Elect.) (1982 batch), L.L.B and MBA in Marketing. He is a member of Indian Institute of Metals and Indian Institute of Welding. Before joining the Company, Shri Sharma was DGM (Projects) in Bhilai Steel Plant. There he was conferred with Jawahar Award for outstanding performance for preparation of plan for installation of Solar Power Units. He had also spearheaded the execution and monitoring of a mega project of construction of Blast Furnace-8 in Bhilai Steel Plant.

Shri Sharma does not hold directorship in other companies. He also does not hold any share in the Company. None of the Directors, Manager and other KMPs of the Company is related to Shri Sharma. Shri Sharma attended all eight Board meetings of the Company held during 2016-17.

ROUTE MAP FOR AGM VENUE





REPORT OF THE BOARD OF DIRECTORS

The Shareholders

Hindustan Copper Limited

Kolkata

Your Directors have pleasure in presenting the forty-ninth Annual Report of Hindustan Copper Ltd. (HCL/the Company) together with the audited statement of accounts and Auditors' Report thereon for the year ended 31.3.2017.

HCL, incorporated on 9.11.1967, has entered in 50th year of its existence. As HCL, step into the golden jubilee year, the Company is committed to keep marching ahead and deliver growth to its shareholders.

Gujarat Copper Project, the fifth unit of HCL, located at Bharuch, Gujarat was dedicated to the nation on its commissioning on 6.10.2016.

1. Performance

Financial Summary or highlights

The comparative working results for the FY 2016-17 vis-à-vis FY 2015-16 are as under: (₹ in Crore)

	Particulars	2016-17	2015-16
(a)	Turnover	1216.94	1068.95
(b)	Profit before depreciation, amortization, finance charges & tax	245.46	159.10
(c)	Less : Depreciation & Amortization	141.90	119.01
(d)	Less : Finance Charges	9.01	0.13
(e)	Profit/(Loss) Before Tax from continuing operation	94.55	39.96
(f)	Profit/(Loss) Before Tax from discontinuing operation	(0.35)	(0.35)
(g)	Profit/(Loss) Before Tax from continuing & discontinuing operation	94.20	39.61
(h)	Less : Provision for Taxation (Current & Deferred Tax)	32.26	1.87
(i)	Profit after tax from Continuing & Discontinuing Operation	61.94	37.74
(j)	Other Comprehensive Income	(4.10)	5.92
(k)	Distributable Profit	57.84	43.66
(l)	Add: Balance brought forward from the previous year	642.96	626.24
(m)	Balance available for appropriation	700.80	669.90
(n)	Earnings per Share(Rs) (Both Basic & Diluted)	0.67	0.41

During 2016-17, the turnover of the Company was ₹1216.94 crore as against ₹1068.95 crore during FY 2015-16 registering an increase of around 13.84%. The Company posted a Profit Before Tax from continuing & discontinuing operation of ₹ 94.20 crore during the year as against ₹39.61 crore clocked during the previous year registering an increase of around 137.82%. The Profit After Tax from continuing & discontinuing operation during FY 2016-17 is ₹61.94 crore as against ₹ 37.74 crore in FY 2015-16 registering an increase of around 64.12%.

Physical performance:

The comparative physical performance of production and sales in FY 2016-17 vis-à-vis FY 2015-16 are as under:

	Particulars	2016-17	2015-16
	Ore (Lakh Tonnes)	38.45	39.08
	Metal in concentrate (MIC) (Tonnes)	30,587	31,578
	Cathode (Tonnes)	18,602	23,024
	CC Wire Rod (Tonnes)	18,167	26,062
	Sales (Tonnes):		
	CC Rod	16,817	21,125
	Cathode	1,532	285
	MIC	10,539	2,702
	Total	28,888	24,112



Shortfall in physical performance of the Company during 2016-17 is due to the following:

- a. Planned shutdown of primary crusher of Malanjkhand mine was taken up for 14 days.
- b. Less availability of high grade ore due to widening of open pit. Delay in U/G project requires widening of the open pit to sustain production up to 2020.
- c. London Metal Exchange (LME) prices of copper remained under pressure during most of the period of FY-2016-17. The average LME price during the year was 5154 USD/T against 5215 USD/T in 2015-16.
- d. Surda Mine (Jharkhand) operation affected due to poor performance of the contractor.
- e. ICC smelter furnace is in the last leg of its current campaign life. Last shutdown for major overhauling was undertaken in May, 2013. Repeated failure of the refractory and waste heat boiler of the furnace has affected the production of cathode.

Remedial actions taken to improve the performance are as under:

- a. Increased thrust on excavation at Malanjkhand mine to widen upper benches to sustain production upto the year 2020.
- b. Construction of Banwas mine at Khetri Copper Complex has been completed and production ramp up from the mine will commence in 2017-18.
- c. Action has been initiated for award of new contract for the operation and maintenance of Surda Mine. Thereafter the production from Surda mine will improve.
- d. Cathode production will improve as production ramp up from newly acquired Gujarat Copper Project (GCP) will improve further. The Kaldo furnace of the Unit will be made operational in the second quarter of fiscal year 2017-18.

2. Dividend

The Board of Directors of your Company has recommended payment of dividend @ 4% on equity, i.e. Re 0.20 per share of ₹5/- face value for the year 2016-17, for approval of shareholders in the Annual General Meeting. The outgo on this account will be ₹18.50 crore for dividend and ₹3.77 crore towards tax on dividend, aggregating to a total outgo of ₹22.27 crore.

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:

i. Malanjkhand Copper Project (M.P)

Work is under progress to expand the production capacity of Malanjkhand mine from present 2 Mtpa to 5 Mtpa by developing an underground mine below the existing open cast mine at an estimated cost of ₹1856.74 Crore. All the approvals are in place, Environment Clearance and approved of National Board for Wild Life has been obtained in 2014-15 and EPC contractor for implementation of the project has been appointed. Infrastructure facilities required for sinking of the shafts are in place at site. The activities are progressing to complete the project on schedule time of March 2020.

ii. Khetri, Kolihan and Banwas mine (Rajasthan)

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

- Kolihan Mine: For additional shaft sinking & creation of ore handling facilities below 0 mRL environmental clearance obtained on 2.2.2015. Further 2000 m of Diamond drilling work has been under taken to establish the ore body at depth.
- Khetri mine: The Engineering Procurement & Construction agency for executing the Khetri mine expansion project had started the work on 16.9.2011. Independent waste handling system commissioned, deepening of production and service shaft had been initiated. During execution, bad ground / fault plane encountered at (-) 120 mRL near production shaft. Contract period ended on 14.1.2017. New contract for tacking bad ground for deepening of the existing shaft and other related activities are under process.



DIRECTORS' REPORT (Contd.)

- Banwas Mine: Mine construction work has been completed in Feb 2017. The Company has appointed Mine Developer and operation agency for long term operation of the Banwas Mine.

iii. Surda mine expansion (Jharkhand)

The plan envisages increase in the depth of the mine and enhancement of production capacity from 0.4 million tonne per annum to 0.9 million tonne per annum. On 19-20 September 2016, Expert Appraisal Committee of Ministry of Environment, Forest and Climate Change (MoEFCC) has recommended the proposal for Environment Clearance subject to clarification regarding forest clearance for forest land involved in underground mining. Matter is under scrutiny at Forest Clearance division of MoEFCC.

iv. Re-opening of closed mines at ICC Ghatsila (Jharkhand)

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

- Kendadih mine: The contract for reopening and allied mine development has been awarded to the successful bidder on 4.2.2012. Environmental clearance from MoEFCC obtained on 20.1.2015, Stage II FC for the project has been obtained on 28.11.2016.
- Rakha mine: Considering the change in market scenario, the Company will implement the project through a mine-developer-and-operator route. Environmental clearance of Rakha mining lease obtained on 1.8.2014, Stage II Forest Clearance for the project has been obtained on 15.9.2016.

v. Chapri Sideshwar (Jharkhand)

Considering the change in market scenario, the Company will implement the project through a mine-developer-and-operator route. Environmental clearance has been obtained on 1.8.2014, stage -II forest clearance obtained. Chapri-Sideshwar mine fall within the Rakha and Kedadih mining lease.

vi. Manufacturing of Copper through Hydrometallurgy Technology - The Company has plans to set up a plant of capacity 1.0 lakh tonne per annum to manufacture copper cathode through cost effective hydro-metallurgy technology. The site of the project has been finalized and investment in the project is ₹ 3025 crore. The investment proposal after approval of the Board has been sent to the Ministry to obtain CCEA approval.

vii. Extraction of minerals from copper ore tails (MP)- The Company has awarded contract to install and commission a commercial scale plant of capacity 3.3 million tonne per annum at Malanjkhand at cost of ₹200 crore to extract valuable minerals and metals from copper ore tails.

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

Malanjkhand Copper Project (MCP) of the Company operates Copper Mines and Concentrator Plant at its project site with electricity obtained from M.P. State Electricity Board. The electricity duty charged from HCL/MCP for both Mines and Concentrator Plant was at the rate applicable to mines although the Concentrator Plant was registered as a 'Factory' with the State Government on 19.12.1986. As per applicable laws, the electricity duty chargeable for 'Factory' was at a lower rate than that applicable to mines. HCL/MCP represented the matter before the State Government Authorities in this regard but the matter was not resolved. Thereafter, the issue was agitated by HCL/MCP in the Courts of Law between 1998 to 2016, namely MP High Court at Jabalpur by way of Writ and the Hon'ble Supreme Court by way of SLPs from time-to-time.

The moot issues to be decided in the matter were as under.

1. Interpretation of the word "Adjacent" occurring in the Explanation (b) to Section 3 of the M.P. Electricity Duty Act, 1949.
2. Whether 'concentrate' is a 'mineral' and whether explanation to Part-B of the M.P. Electricity Duty Act, 1949 applied even through the manufacturing process is involved to bring it into existence.

In the finality, the Hon'ble Supreme Court while examining our SLP No. 10643-10645 of 2012 in the matter, by its Order dated 10.11.2016, examined the aforesaid issue and thus ordered.

The Court in its judgment gave the word 'adjoining' a wider connotation. It would include close proximity such as being in the same locality. The Court in its findings also noted that the word 'processing' used in the Explanation has to be interpreted in the context and for the purpose of the said item. Process can be given either a wide or a narrow meaning. The learned judges applied the rule of noscitur a sociis which means that the meaning of the word is to be judged by the



company it keeps. It relied on several precedents, and by giving it a narrow meaning in the present case, it ruled that the process to create concentrate and alloy comes under manufacturing and not under processing which is an allied activity to mining. The Court also held that Copper Concentrate is not a mineral but a manufactured product. Summing up its judgment, the Court held that the High Court was not correct in its analysis. The said High Court judgment was set aside and the Hon'ble Supreme Court directed to levy the tariff as meant for the manufacturing unit. It further stated that if any amount had already been paid by HCL to the revenue, the same should be adjusted towards future demands.

6. Management Discussion and Analysis

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

7. Awards and Accolades

- i. HCL received the Industry Leadership Award - Base Metals at the 2016 Platts Global Metals Awards, held in London on 19.5.2016. The annual awards program honours exemplary performance in fifteen categories spanning the entire steel, metals and mining fraternity.
- ii. The Quality Circle teams 'Sanjivani' and 'Sahyog' of Indian Copper Complex (ICC) won in Gold Category during the Chapter Convention on Quality Concepts (CCQC), 2016 on 27.9.2016 at Kolkata.
- iii. The Quality Circle teams 'Sahyog' and 'Sanjiwani' of ICC were placed in 'Par Excellence' and 'Excellence' Category respectively during the National Convention on Quality Concepts (NCQC), 2016 held from 16th to 19th December, 2016 at Raipur.
- iv. The Jury of Employer Branding Institute & World HRD Congress conferred upon HCL the 'Best Employer Brands Award' on 18.12.2016 at IPE, Hyderabad.
- v. HCL was declared the Winner of 'Golden Peacock Award for Corporate Social Responsibility' for the year 2016 by the Awards Jury and was presented the Award on 20.1.2017 in the "11th International Conference on Corporate Social Responsibility" held at Bangaluru.
- vi. HCL received the 'ABP NEWS - CSR Leadership Awards' on 17.2.2017 at Mumbai.
- vii. Jury and Council of Board members conferred HR Leadership Award (PSU Focus) to Shri Anupam Anand, D(P)/HCL during the Award Ceremony on 16.2.2017 at Mumbai.
- viii. HCL was recognised as one of the 50 Top PSUs with Innovative HR Practices by ASIA PACIFIC HRM CONGRESS-2016.
- ix. Tamralipi, the in-house journal of the Company, won the In-house Communication Excellence (ICE) Award 2016 in three categories, viz., Most Creative Name (Winner); Best Magazines Among Government and Other Organizations (First Runner Up) and Best Magazine in a Regional Language (First Runner Up) at the ICE Awards Ceremony 2016 organized in Mumbai on 4.6.2016 by the Shailaja Nair Foundation.
- x. HCL received the 'Griha Patrika Protsahan Puraskar' for the year 2015-16 from Nagar Rajbhasha Karyanwayan Samity (Upkram), Kolkata, for the Hindi version of House Journal Tamralipi.

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

During the year from 1.4.2016 to 31.3.2017: NIL

9. Deposits

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

10. Related Party Transactions (RPTs):

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

11. 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.



DIRECTORS' REPORT (Contd.)

12. Risk Management Policy

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

13. Internal Financial Controls

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

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

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

15. Safety

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

Malanjkhand open cast mine had won the following safety performance award in large opencast mine category in 2016-17 under the aegis of DGMS (Nagpur region I&II):

2nd Prize on Use of explosives

2nd Prize on Transport in Mines & Dust Suppression

Malanjkhand open cast mine had won the following award under the aegis of IBM in 2016-17 (Jabalpur Region):

2nd Prize on Mineral Beneficiation

Khetri Copper Mine and Kolihaan Copper Mine have received 1st Prize in all India Rescue Competition 2016 in First Aid competition practical.

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

16. Corporate Social Responsibility (CSR)

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

17. Vigilance Activities

The focus of the Vigilance Department is on preventive / proactive measures through improvement of systems and procedures, ensuring transparency, adherence to established policies and guidelines etc. Systems improvement measures are being regularly brought to the notice of Management, which has implemented most of the suggestions. During the Vigilance Awareness Week-2016, a booklet was published, outlining the various system improvements, suggested by the Vigilance Department in recent past.

The emphasis is on developing proper checks and balances in the working systems. At the same time, since punitive action is also required in case of misconduct to maintain discipline in the organization and to ensure fairness and probity in public life, prompt action is taken towards disposal of those cases also. Efforts are also continuing to create more and more awareness about vigilance amongst the employees of the organization.

18. Official Language Implementation

During 2016-17, HCL made constant endeavour to increase use of Hindi in its Units/Offices. Raj Bhasha Pakhwara and Hindi Diwas were celebrated in the Units/Offices from 14.9.2016 to 28.9.2016. The messages of Hon'ble Home Minister, Govt. of India and CMD, HCL were circulated/ read out in all Offices/Units on this occasion. Various competitions were organized to enhance interest of the employees towards Official Language and winners awarded. The employees are constantly motivated to use Hindi in their day-to-day official work. Hindi Workshops were conducted in the Units/Offices at regular intervals. Regular review of progressive use of Hindi and difficulties faced were carried out in Quarterly



meetings of Official Language Implementation Committee under the Chairmanship of CMD at Corporate Office and Unit Heads in Units. The Company participated in the half-yearly meeting of Town Official Language Committee (PSUs), Kolkata held on 11.8.2016. The Hindi edition of House Journal 'Tamralipi' of HCL was awarded by Town Official Language Committee (PSUs), Kolkata under 'Rajbhasha Award Scheme-2015-16' on 11.8.2016. The progressive use of Hindi is reviewed regularly at the Board meetings.

19. Business Responsibility Report:

Pursuant to Regulation 34 (2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI (LODR), 2015), Business Responsibility Report for 2016-17 describing various initiatives taken by the Company on social, environmental and governance perspective, is attached at Annexure-IV which forms part of this report.

20. Extract of Annual Return:

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

21. Corporate Governance

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

22. Number of meetings of the Board:

During 2016-17, eight Board meetings were held on 30.5.2016, 22.8.2016, 26.9.2016, 13.12.2016, 16.1.2017, 10.2.2017, 27.2.2017 and 29.3.2017.

23. Directors' Responsibility Statement

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

- (i) That in the preparation of the annual accounts for the year ended 31st March, 2017 the applicable accounting standards had been followed along with proper explanations relating to material departures.
- (ii) That such accounting policies have been selected and applied consistently and made adjustments and estimates which are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of 31st March, 2017 and of the Profit and Loss of the Company for the year.
- (iii) That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (iv) That the Directors have prepared the annual accounts on a going concern basis.
- (v) That the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating effectively.
- (vi) That the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

24. Declaration by Independent Directors:

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

25. Familiarization Programme for Independent directors

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

26. Code of Conduct

The Company has in place a Code of Conduct applicable to the Directors as well as Senior Management and the same has been circulated to all concerned and posted at the Company's website www.hindustancopper.com. All Board members and senior management personnel have affirmed compliance of the code for the year ended 31st March, 2017.



DIRECTORS' REPORT (Contd.)

27. Directors

Ms Sujata Prasad ceased to be part time official Director from 21.6.2016.

Shri Subhash Chandra was appointed in place of Shri Nikunja Bihari Dhal as part time official Director with effect from 20.10.2016.

S/Shri U D Choubey and Ashok Kumar Singh ceased to be Independent Directors from 21.10.2016 on completion of their tenure.

Ms T C A Kalyani was appointed as part time official Director from 25.10.2016.

Shri N K Singh was appointed as part time official Director from 15.3.2017 in place of Ms T C A Kalyani who ceased to be Director from 7.12.2016.

The Board places on record its appreciation for the valuable services rendered and contribution made by Ms Sujata Prasad, Shri Nikunja Bihari Dhal, Shri U D Choubey, Shri Ashok Kumar Singh and Ms T C A Kalyani during their tenure on the Board.

28. Secretarial Audit Report

M/s N K Associates, Practicing Company Secretaries, has been appointed as Secretarial Auditor for FY 2016-17. Report given by the Secretarial Auditor is given at Annexure -VII to this report. With regard to the observations of the Secretarial Auditor about composition of the Board of Directors of the Company, it is stated that during 2016-17, three posts of part time non-official (Independent) Directors were laying vacant (one post since 19.3.2016 and two posts since 22.10.2016). 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 requested MoM to fill up the vacant posts of three Independent Directors.

29. Auditors

M/s. A Kayes & Co, Kolkata was appointed as statutory auditors to audit the accounts of the Company for the year 2016-17.

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 2016-17.

30. Comments of C&AG

The comments of C&AG under the Companies Act on the accounts of the Company for the year ended 31st March, 2017 are annexed to this report.

31. Appreciation

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

For and on behalf of the Board of Directors

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

Place: Kolkata
Date : 17.5.2017



ANNEXURE - I TO THE DIRECTORS' REPORT

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

I. Industry Structure and Development

Global Business Scenario

During 2016, Global mine production was 20.21 million tonnes (copper content), thus registering a growth of 6% over 2015 despite weak copper Prices. The strong growth was mainly due to new and expanded capacity brought on-stream in Mexico and Peru and the low frequency of supply disruptions due to strikes, accidents or adverse weather conditions. In the year 2017, mine production is impacted by the significant supply disruptions that occurred in the 1st quarter of the year notably in Chile, Indonesia and Peru. According to International Copper Study Group (ICSG), world mine production is expected to decline by 1% in 2017 and remain essentially unchanged in 2018.

World refined production in 2016 was 23.31 million tones registering a growth of 2% over 2015. In coming years, although world refined production is expected to grow by around 2%. In 2017, the refined copper production is forecasted to at 23.75 million tonnes. In coming years, although world secondary refined production is expected to increase, it is anticipated that growth in electrolytic refined production might be lower constrained by the availability of concentrate. China will remain the biggest contributor to world refined production growth in 2017 and 2018. Refined production is expected to register growth in both years mainly as a result of China bringing on additional capacity through existing and new electrolytic refineries.

In 2016, world copper demand was 23.45 million tonnes. China remains the largest consumer of refined copper in world consuming around 50% of the world demand. World refined usage is expected to increase by around 2% in 2017 and 2018. Sustained growth in world copper demand is expected to continue because copper is essential to economic activity and even more so to the modern technological society. Infrastructural development in major countries like China and India will continue to sustain growth in copper demand. Improvement is anticipated for the world economy for 2017 and 2018 which, although modest, should support copper demand growth. As per ICSG forecast, it is projected that there will be a deficit of about 150,000 metric tonnes in 2017, and about 170,000 metric tonnes in 2018.

Indian Copper Scenario

Mining - Reserves & Production:

As of 1.4.2010, total reserves are estimated (in metal terms) at 4.8 million tonnes and probable resources at 12.3 million tones. The copper reserves and resources are largely located in three copper belts, namely, Khetri copper belt in Western India, Singhbhum copper belt in Eastern India and Malanjkhand copper belt in Central India. All the operating mining leases are presently held by HCL, a state owned copper producing company. To increase production, HCL has chalked out an expansion plan to increase mine production from 3.2 million tonne per annum to 12.4 million tonnes per annum by 2018-19.

In FY 2016-17, Mine ore production of HCL, (the only copper mining company in the country) was 3.85 million tonnes as compared to 3.9 million tonnes in 2015-16. In metal terms the production was 30,587 MT as compared to 31,578 MT in 2015-16.

Refined Copper Production:

Currently, three major players dominate the Indian Copper Industry. HCL in Public Sector, M/s Hindalco and M/s Sterlite Industries in Private Sector. HCL is the only vertically integrated copper producer in the country, while M/s Hindalco at Dahej in Gujarat and M/s Sterlite Industries in Tuticorin in Tamil Nadu have setup port based smelting and refining plants which depend on imported mineral in the form of concentrate. India has total installed capacity of 999,500 tonnes of refined copper production per annum. HCL has shut down its one of the smelter & refining plant (Khetri Plant) of annual capacity 31,000 due to economic reasons. Refined copper (copper cathode) production in FY 2016-17 was 7,96,171 tonnes, as compared to 7,95,000 tonnes in FY 2015-16. In addition there are a few installations to produce Electro-won Copper but their capacities are still very low, and production is inconsistent.

Refined Copper Usage:

During FY 2016-17, refined copper usage (including cathode and wirerod) is around 6.65 lakh tonnes. Copper consumption growth rate is likely to increase around 6 to 7% due to improvement in growth rate of manufacturing, housing & infrastructure sectors. The key growth drivers are in continuing demand from power and construction sectors. Electrical & power sectors account for nearly one-third (35%) of the refined copper consumption, followed by 11% by the transport (Auto and Railways) industry, 8% each by construction & consumer durables industry. The growing environment consciousness and emphasis on using more energy-efficient appliances would also help to protect demand for copper in India. India is self sufficient in refined copper production and has emerged as net exporter of refined copper.



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

Import & Export:

As of now, there is a high level of deficit in the mining capacity and surplus in the refining capacity. Domestic production of concentrate accounts for only 4% of the total requirement. Consequently, India imported around 2,748,933 tonnes of copper concentrate (about 824,000 tonnes of metal) in FY 2016-17. However, India is self sufficient in refined copper production and has emerged as net exporter of refined copper. There is, however, also a cross trading in the import / export of refined copper, and during the FY 2016 -17, around 350,000 tonnes of refined copper was exported as compared to 335,000 tonnes in 2015-16.

II. SWOT Analysis

Strength

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

Weakness

- High cost of logistics due to multi- location units
- Relatively smaller sized plants
- Aged equipment /old technology
- Limited value added products

Opportunity

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

Threat

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

III. Segment-wise or product-wise performance

Covered in the main report.

IV. Outlook:

India's copper market is expected to remain positive with strong growth in key user segments such as power, construction and engineering. Copper demand is expected to grow at the rate of 6 to 7 % in coming years due to improved economic activity in the country. Such high demand is a result of increasing urbanization, development of industrial corridors, smart city project, housing for all by 2022, National highway development project, Rail project, Defense production policy to encourage indigenous manufacture, India energy plan 2022- 100GW solar, 32GW wind, 260GW thermal & nuclear, 62 GW hydro. In addition to this there is plan for green energy corridor for transmission of renewable energy. 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 per capita copper consumption of China is 6 Kg and world average is 2.7 kg. Import of finished copper is increasing over the years. Free trade agreements with copper producing countries have posed a challenge to the Indian copper industry. In coming days, the industry needs to be innovative on product and cost to meet the forthcoming challenges.

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.



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

VII. Discussion on financial performance with respect to operational performance

The financial performance for FY 2016-17 vis-à-vis FY 2015-16 is summarized below:

(₹ in crore)

Particulars	2016-17	2015-16
Turnover	1216.94	1068.95
Value of Production	1617.85	1210.36
Cost of production excluding depreciation, amortization and Finance Cost & Prior Period Adjustment (Net)	1466.94	1089.05
Profit before depreciation, amortization and Finance Cost & Prior Period Adjustment (Net)	245.46	156.92
Depreciation, Amortisation	141.90	119.01
Finance Cost	9.01	0.13
Prior Period Adjustments (Net)	-	(2.17)
Profit/ (Loss) Before Tax from Continuing Operation	94.55	39.96
Profit/ (Loss) Before Tax from Discontinuing Operation	(0.35)	(0.35)
Provision for taxation -Current	25.97	21.64
-Deferred	6.29	(19.77)
Profit/ (Loss) After Tax from Continuing & Discontinuing Operation	61.94	37.74

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 ₹400.66 crore which was funded through the internal resources of the Company and no Government support for capital expenditure was asked for.

Contribution to Exchequer

During 2016-17, the Company contributed a sum of ₹247.73 crore to the exchequer by way of duties, taxes and royalties, as against ₹212.03 crore in 2015-16, as detailed below:

(₹ in Crore)

Particulars	2016-17	2015-16
Excise Duty	32.54	56.34
Customs Duty	47.21	0.75
Sales Tax	27.79	36.70
Royalty and Cess	63.06	53.81
Income Tax	53.89	45.70
Others	23.24	18.73
Total	247.73	212.03

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

Manpower

The manpower of the Company as on 31.3.2017 is 2843 as detailed below.

Group	Category				
	Gen	SC	ST	OBC	Total
A	371	76	19	72	538
B	29	6	5	13	53
C	869	259	290	229	1647
D	364	147	71	23	605
Total	1633	488	385	337	2843

Special Categories			
Ex-Servicemen	PwD	LDP	Minorities
1	5	1	24
0	0	1	7
16	12	171	133
0	7	78	24
17	24	251	188

(Legends: Gen: General; SC: Scheduled Caste; ST: Scheduled Tribe; OBC: Other Backward Class; PwD: Persons with Disabilities; LDP: Land Displaced Person)



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

Industrial Relations & Employees Participation in Management

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

Reservation for appointment of SC/ST/OBC candidates

The Company adheres to the prescribed Government guidelines on reservation for SC/ST/OBC categories in all recruitment activities. The representation of SC, ST and OBC employees out of the total manpower of 2843 as on 31.3.2017 is 17.16%, 13.54 % and 11.85 % respectively.

Human Resource Development

Based on identified needs, Training and Development at all levels of employees is given due priority by the Company to increase employee effectiveness and productivity. The Company selectively nominated employees for specialized training Programmes / Workshops / Seminars / Conferences organized by reputed professional organizations and Institutes. In FY 2016-17, against a training target of 6500 mandays, 7100 mandays of training was achieved.

Employment of Women

The Group-wise strength of female employees as on 31.03.2017 vis-à-vis the total employee strength of the Company is given below.

No. of Employees			
Group	Total	Female employees	Female employees as % of total
A	538	41	7.62
B	53	2	3.77
C	1647	56	3.40
D	605	101	16.69
Total	2843	200	7.03

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.

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

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

Status of implementation of The Persons with Disability Act, 1995

The number of physically challenged persons employed in the Company as on 31.3. 2017 are 05 in Group A, 12 in Group C and 07 in Group D.

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

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

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

Accessibility Audit of office buildings have been carried out in all the five Units.

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



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

Skill Development

HCL allocated 21.52 % of its CSR fund in FY 2016-17 for Skill Development.

a) Kaushal Vikas Yojna

To improve the skill of the local youths to make them employable and recognizing the prior learnings of the Contract labour, HCL signed a MoU on 14.9.2015 with National Skill Development Council (NSDC) to impart fresh skills to the local youth and recognize the 'prior learnings' of the Contract labour engaged in HCL. 70 youths beneficiaries of this program have so far been placed in reputed companies, notably 18 at Maruti Udyog Limited, Gurgaon at a stipend of ₹10000/-; 11 at Tata Motors, Jamshedpur at a stipend of ₹7000/- and 5 as Meter Testing Engineer in Energy Management Services, Jaipur at a salary of ₹15000/-.

b) Apprenticeship Training:

HCL has imparted apprenticeship training to 290 persons against the target of 290 persons in FY 2016-17. An amount of ₹157.56 lakhs was spent on the training of these apprentices in FY 2016-17.

c) Skill Development Institute as an Upgraded Training Center:

A Skill Development Institute as an Upgraded Training Center was established at Khetri Copper Complex, District - Jhunjhunu (Rajasthan). Three trades, i.e. Blaster, Survey and Loco/ Loader Operation have been identified for training at the center. 2 batches of 6 months duration in Survey Trade consisting of 30 trainees each has been planned in FY 2017-18. The first batch has started on 12.04.2017.

d) Support to Demonetization:

In accordance with the government decision of Demonetisation in November, 2016, Posters and Banners were displayed at prominent places. Also for creating awareness, workshops were organized in all Units.

e) Digital Payments:

To maximize cashless transactions by the Internal & external customers of HCL, various awareness workshops were organized on cashless transactions at each Units, bank payment of wages to all contract labours have been ensured and Posters and Banners were displayed at prominent places. Awareness drives in collaboration with bank officials to educate the employees, Contract labours, customers and merchants were launched on 19.12.2016 in all Units and offices including Corporate Office of HCL. On 28.3.2017, the target of educating 6015 consumers (employees, Contract labours, customers) and 9264 merchants was achieved. No cash transactions are carried out in HCL. To make the campuses of HCL 'Cashless', PoS machines have been installed at Guest House, Finance Department and Hospitals in the three mining Units of HCL.

f) Transparency:

The Company has adopted the Government guideline in the year 2016-17 by doing away with the procedure of no interview for Group 'C' and 'D' recruitment.

Swachh Bharat Mission

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

a) Open Defecation Free villages:

In FY 2016-17, 15 villages (5 villages each in ICC/MCP/KCC) were made Open Defecation Free as per details given below.

Sr.No.	Unit	Toilets (Nos.)	Expenditure (₹ Lakhs)	Population
i.	ICC	705	125.33	8308
ii.	MCP	253	30.00	3436
iii.	KCC	444	53.28	24869
Total		1402	208.61	36613

b) Swachhta Activities

In accordance with the Swachh Bharat Mission launched by Govt. of India, Swachhta Activities were started in HCL in FY 2014-15. In the year 2015-16, awareness campaigns on safe handling, storage of drinking water, safe sanitation, removal of garbage, construction of public Toilet Units, roads etc. were undertaken.

The activities were continued in FY 2016-17 and in addition to these activities, following Swachhta activities were also undertaken.

- Solid Waste Shredder for solid waste management was installed at MCP Township.
- Intensive 'Swachhta Drives' were undertaken at all Units and Offices including Corporate Office.



ANNEXURE - II TO THE DIRECTORS' REPORT

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

(A) Conservation of energy-

(i) The steps taken or impact on conservation of energy:

- Power factor improved and maintained near to unity.
- High wattage conventional lights were replaced by low power consuming LED lights with expected annual power saving to the tune of more than 20 lakhs.
- 3 nos. old thyristor drive have been replaced by variable frequency drive at MCP.
- 11 nos. oil circuit breaker (old technology) replaced with vacuum circuit breaker (new technology) at MCP
- 8 nos. of Mechanical type Belt Weighers and 8 nos. of Thyristor drives (total 16 nos.) of machines have been replaced with only 8 nos. of Weigh Feeders which is a combination of both weighers and feeders introduced in ball mill feed circuit at MCP.
- The mill discharge spillage has come down from 2.24% of milling to less than 1% with modification in mill discharge sleeve spiral and the spillage is fed back to ball mills.
- 17 nos. old motors (375KW) replaced with premium class IE3 energy efficiency motors at ICC.

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

- 35 KWp Roof Top solar power plant installed at Administrative Building of Malanjkhand Copper Project.

(iii) The capital investment on energy conservation equipments: ₹60 lakhs

(B) Technology absorption-

(i) The efforts made towards technology absorption:

- Recovery of valuable metals & minerals from Copper ore tailing- a plant will be installed at MCP with a capacity to process 10000Mt / day copper ore tailing.
- New Technology to recover nickel, pure copper and acid from the spent electrolyte of ICC refinery has been commissioned on 31st July 2016.
- ISA technology based copper refinery at GCP has been commissioned in October 2016.

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

Efforts made towards technology absorption has resulted development of new product, reduced import of Nickel metal to the extent equivalent to the amount of production.

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

(a) The details of technology imported-

- The EMEW technology imported from Canada. The technology will help HCL to recover LME-A grade cathode from lower concentration of copper in spent electrolyte which is otherwise not possible by conventional means. Besides this, the technology will also help HCL to recover nickel from the spent electrolyte at ICC refinery.
- Another technology of Acid purification Unit (APU) was imported from Canada. The technology will allow HCL to separate and recycle back the major part of the acid from the spent electrolyte at ICC Refinery. This eco-friendly technology will allow reduction of liquid effluent and help HCL to recover nickel in the downstream process.

(b) The year of import- 2016

(c) Whether the technology been fully absorbed- Yes

(d) If not fully absorbed, areas where absorption has not taken place and the reasons thereof- NA

(iv) The expenditure incurred on Research and Development - ₹2.34 Crore which are booked under natural heads of accounts

(C) Foreign exchange earnings and Outgo-

Earnings in foreign exchange

During 2016-17, the Company earned foreign exchanges of ₹231.78 crore as against ₹136.40 crore during FY 2015-16 through export of slime, copper reverts and copper concentrate.

Expenditure in foreign currency

During 2016-17, the Company spent foreign currency to the tune of ₹599.79 crore towards import of raw material, stores & spares, capital goods, other imports, travelling, others etc. as compared to ₹13.13 crore in 2015-16.



ANNEXURE - III TO THE DIRECTORS' REPORT

ANNUAL REPORT ON CSR ACTIVITIES

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

Policy Statement

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

Organization setup

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

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

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

Scope of activities

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

Geographical Span

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

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

Planning

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

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

Implementation methodology

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

Web Link to CSR policy and projects or programs

Annual Report on CSR activities is also available at the Company's website (www.hindustancopper.com)

2. Composition of the CSR Committee

- i) Shri Niranjan Pant, Independent Director, Chairman
- ii) Smt. Simantini Jena, Independent Director, Member



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

- iii) Shri Anupam Anand, Director (Personnel), Member
- iv) Shri V V Venugopal Rao, Director (Finance), Member
- v) Shri C S Singhi, GM & Co Secretary, Secretary

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

₹185.48 Crores

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

₹3.71 Crores

5. Details of CSR spent during FY 2016-17

- (a) Total amount to be spent for FY 2016-17: ₹738.00 Lakhs*

*(The allocated amount of ₹738.00 Lakhs includes Unspent CSR amount of previous years)

- (b) Amount unspent, if any -: ₹ 223.35 Lakhs

- (c) Manner in which the amount spent during the FY 2016-17 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 (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs-wise (in lakh)	Amount spent on Projects or programs Sub-heads (1) Direct expenditure on projects or programs. (2) Overheads (in lakh)	Cumulative expenditure up to the reporting period (in lakh)	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	166.70	151.03	151.03	M/s Vidyanketan, Ghatsila, M/s Bharat Power Ranchi
			Dist-Balaghat, M a d h y a Pradesh	162.22	146.08	146.08	Direct, State Government & M/s Satosh Patle and M/s Thakre Krishi Farm
			Dist- Jhunjhunu, Rajasthan	55.28	54.98	54.98	State Government
2	Education, Vocational Skills and Livelihood	Promoting education including special education and employment enhancing skills especially among children, women and elderly and the differently abled and livelihood enhancement projects	Dist- East Singhbhum, Ranchi, Jharkhand	32.57	19.68	19.68	M/s Vidyanketan, Ghatsila, NSDC
			Dist-Balaghat, M a d h y a Pradesh	32.13	12.12	12.12	NSDC
			Dist- Jhunjhunu, Rajasthan	73.86	21.47	21.47	Skill Council for Mining Sector, M/s Balaji Contractor, Khatri Nagar, M/s Joshi Electronics Buhana, M/s Satyanarayan Sharma, Singhana, NSDC
			Dist-Raigarh, Maharashtra	3.88	2.74	2.74	NSDC
			Dist-Kolkata, West Bengal	5.00	4.16	4.16	SERVE INDIA



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

3	Environmental and Animal Welfare	Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air and water.	Dist- East Singhbhum, Jharkhand	2.27	2.27	2.27	M/s Vidyaniketan, Ghatsila
			Dist-Balaghat, M a d h y a Pradesh	–	–	–	–
			Dist- Jhunjhunu, Rajasthan	15.02	3.15	3.15	M/s Jaibaba Const., M/s Chandra Construction
4	Sports	Training to promote rural sports, nationally recognised sports, Paralympics sports and Olympic sports	Dist- East Singhbhum, Jharkhand	8.00	8.00	8.00	Direct., M/s Vidyaniketan, Ghatsila
			Dist-Balaghat, M a d h y a Pradesh	2.00	2.00	2.00	State Government
			Dist- Jhunjhunu, Rajasthan	–	–	–	–
5	Rural Development	Rural Development Projects	Dist- East Singhbhum, Jharkhand	44.50	14.50	14.50	M/s Purnima Engineering & Construction Company, Ghatsila
			Dist-Balaghat, M a d h y a Pradesh	40.81	40.81	40.81	M/s Parmanand Patle & M/s Gajanand Patle
			Dist- Jhunjhunu, Rajasthan	66.40	28.22	28.22	M/s Krishna Construction, Singhana, Municipal Board, Khetri, M/s Jaibaba Puranmal Const, Nalpur, Khetri
6	Miscellaneous	Miscellaneous activities, Management Cost, Institutional Cost, WCST etc.	Dist- East Singhbhum, Jharkhand	6.30	2.25	2.25	Direct., M/s Vidyaniketan, Ghatsila
			Dist- Jhunjhunu, Rajasthan	5.00	0.69	0.69	
			Dist-Kolkata, West Bengal	16.06	0.50	0.50	
	Total			738.00	514.65	514.65	

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

Not Applicable

7. Responsibility statement of the CSR Committee

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

Anupam Anand
Director (Personnel)
DIN: 02752767

Niranjan Pant
Chairman CSR Committee
DIN: 00229550

Place: New Delhi
Date: 17.5.2017

Place: NOIDA
Date: 5.6.2017



ANNEXURE - IV TO THE DIRECTORS' REPORT

BUSINESS RESPONSIBILITY REPORT

Section A: General Information about the Company

- Corporate Identity Number (CIN) of the Company: L27201WB1967GOI028825
- Name of the Company: Hindustan Copper Limited
- Registered Address:
"Tamra Bhavan"
1 Ashutosh Chowdhury Avenue
Kolkata 700019
Tel. No.: 033-2283 2226/2529
Fax no.: 033-2283 2478/2640
- Website: www.hindustancopper.com
- E-mail: investors_cs@hindustancopper.com
- Financial Year Period: 2016-2017
- 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

- List three key products/services that the Company manufactures/ provides (as in balance sheet):
Hindustan Copper Limited (HCL) is the only vertically integrated copper mining company in India having its own captive mines. Following are the key products manufactured by the Company:
 - Copper Cathode
 - Continuous Cast Copper Wire Rod
 - Metal in Concentrate
- Total number of locations where business activity is undertaken by the Company:
 - Number of International locations : None
 - Number of National locations : 15

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

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

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



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

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

Section B: Financial Details of the Company

1. Paid up Capital: ₹462.61 crore
2. Total Turnover: ₹1216.94 crore
3. Total Profit after Taxes from continuing and discontinuing operation: ₹61.94 crore
4. Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%): 8.31%
5. List of activities in which expenditure in 4 above has been incurred:
 - a. Drinking water, Health and Sanitation
 - b. Education, Vocational Skills and livelihood
 - c. Environment and Animal Welfare
 - d. Promotion of sports in rural areas
 - e. Rural development projects

Section C: Other Details

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

Section D: BR Information

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

DIN	02752767
Name	Anupam Anand
Designation	Director(Personnel)
Phone	033-2281 6221
Mail Id	anupamanand@hindustancopper.com

DIN	02950920
Name	V V Venugopal Rao
Designation	Director (Finance)
Phone	033-22832741
Mail Id	vvvenugopalrao@hindustancopper.com

DIN	07276836
Name	Sanjay Kumar Bhattacharya
Designation	Director (Mining)
Phone	033-2281-7138
Mail Id	bhattacharya_sk@hindustancopper.com

DIN	07431945
Name	Santosh Sharma
Designation	Director (Operations)
Phone	033-22870325
Mail Id	santoshsharma@hindustancopper.com

- b) Detail of the BR head

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



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

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

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

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

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

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

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



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

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

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

3. Governance related to BR:

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

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

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

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

Section E: Section Wise Performance

Principle 1: Ethics, Transparency and Accountability

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

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

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

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

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

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

i) Investor Grievances: 2 Investor grievances were received and resolved during 2016-17 and there was no outstanding complaint as on 31.3.2017.

ii) Public Grievances: 48 cases were received during FY2016-17 of which 46 were redressed.



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

iii) Customer Grievance: 3 Customer grievances were received and resolved during 2016-17 and there was no outstanding complaint as on 31.3.2017

iv) Stakeholder grievances pertaining to any other issue are forwarded to the respective department for redressal.

The stakeholders may address their complaints via platforms given below:

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

Principle 2: Products contributing to sustainability

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

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

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

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

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. Energy audit has been completed in four Units and the recommendations are under implementation.

Water use 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.

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.

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



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

technical expertise, skill up-gradation and shop floor visits. Company trained the local unemployed person to produce goods like hand gloves which is consumed in the factory regularly.

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

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

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

New Technology to recover nickel, pure copper and acid from the spent electrolyte of ICC refinery - a waste stream has been commissioned in August 2016.

The Company has planned to install a plant at MCP to recover valuable metals & minerals from the copper ore tailing, a waste generated from the concentrator plant.

Principle 3: Welfare of Employees

Businesses should promote the well-being of all employees.

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

2843 as on 31st March, 2017.

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

The number of employees hired on contract during FY 2016-17 was 32. There was no employee hired on temporary/ casual basis.

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

200 as on 31st March, 2017.

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

24 as on 31st March, 2017.

- 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.**

Sl. No.	Category	Complaints filed during the FY 2016-17	Complaints pending the end of FY 2016-17
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



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

Category	%
Permanent Employees	79.5
Permanent Women Employees	11
Casual/Temporary/Contractual Employees	51
Employees with Disabilities	45

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

Principle 4: Stakeholder Engagement

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

- Has the Company mapped its internal and external stakeholders? Yes / No**
Yes
- Out of the above, has the Company identified the disadvantaged, vulnerable and marginalized stakeholders?**
Yes
- Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.**

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

The Company conducted Base-line Surveys within 20 Kms radii around the plant and 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 marginalised amongst them, were prioritised.

Principle 5: Human Rights

Businesses should respect and promote human rights.

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

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

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

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

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

Nil

Principle 6: Environment

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



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

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

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

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

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

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

Yes

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

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

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

Yes, the Company has taken following initiatives:

Energy Conservation:

- Best practices of energy conservation are adopted across the organisation which resulted reduction in energy consumption.
- 35 KWp roof top solar power plant commissioned in MCP, MP.
- Power factor improved and maintained near to unity.
- High wattage conventional lights were replaced by low power consuming LED lights
- 3 nos. old thyristor drive have been replaced by variable frequency drive at MCP.
- 11 nos. oil circuit breaker replaced with vacuum circuit breaker at MCP
- 8 nos. of Mechanical type Belt Weighers and 8 nos. of Thyristor Drives (total 16 nos.) of machines have been replaced with only 8 nos. of Weigh Feeders which is a combination of both weighers and feeders introduced in ball mill feed circuit at MCP.
- The mill discharge spillage has come down from 2.24% of milling to less than 1% with minor modification in mill discharge sleeve spiral and the spillage is fed back to ball mills.
- 17 nos. old motors (375KW) replaced with premium class IE3 energy efficiency motors at ICC.

New Technologies:

- Technology has been established for extraction of valuable metals and minerals from Copper ore tailings- a plant will be installed at Malanjkhand copper project with a capacity to process 10,000 MT/ day copper ore tailing.
- New Technology to recover nickel, pure copper and acid from the spent electrolyte of ICC Ghatsila refinery plant has been commissioned on 31.7.2016.

R&D Projects:

- Recovery of copper through leaching from ESP dust of flash smelter has been taken up.
- Recovery of nickel metal from nickel waste produced at customer refinery.
- Malanjkhand Concentrator plant uses pine oil as a frother in Concentrator plant process, being natural product extracted from pine trees its availability and quality is not consistent. The Company has taken R&D initiatives to find a suitable substitute. During the year, the Company has undertaken R&D test of the other probable chemicals in the plant and found one of the chemical product suitable for the application as well as cost effective. Thus, pine oil will be replaced by the above item in phased manner.



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

- Combination of both sized (80 mm and 90mm) hi-chrome grinding media was studied and specific consumption of grinding media was brought down to 0.78 Kg/MT of milling. Now all the four ball mills are being run with the combined grinding media in 1:1 ratio.

Environment:

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

An environmental friendly technology has been adopted at Ghatsila Smelter in 2016-17 to reduce acidic effluent load and thereby minimizing solid waste generation.

Mine water and dump seepage has been 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.

Waste management:

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

Copper ore tailing processing plant & nickel recovery project are waste to wealth project of the company.

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

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

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

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

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

Nil

Principle 7: Public Advocacy

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

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

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

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

No

Principle 8: Inclusive Growth

Businesses should support inclusive growth and equitable development.



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

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

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

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?

Yes.

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

In 2016-17, an amount of ₹5.15 crores was contributed towards community development projects. The details of the project undertaken are given in Point no. 5 below.

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

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

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

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

Principle 9: Value to Customers

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

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

Nil

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

Yes

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

Nil

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

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



ANNEXURE - V TO THE DIRECTORS' REPORT

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31.3.2017

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

I. REGISTRATION AND OTHER DETAILS:

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated: Continuous Cast Copper Wire Rod contributes 60.41% and Metal in Concentrate contributes 29.04% of the total turnover of the Company.

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

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

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

i) Category-wise Share Holding

Category of Shareholder	Number of shares held at the beginning of the year				Number of shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A. Promoters									
(1) Indian									
(a) Individual/ HUF	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
(b) Central Govt.	832218459	NIL	832218459	89.95	766845176	NIL	766845176	82.88	-7.07
(c) State Govt.(s)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
(d) Bodies Corp.	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
(e) Banks/FI	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
(f) Any Other	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Sub Total(A)(1)	832218459	NIL	832218459	89.95	766845176	NIL	766845176	82.88	-7.07



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

(2) Foreign									
(a) NRIs-Individuals	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
(b) Other- Individuals	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
(c) Bodies Corporate	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
(d) Banks/FI	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
(e) Any Other	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Sub Total(A)(2)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	832218459	NIL	832218459	89.95	766845176	NIL	766845176	82.88	-7.07
B. Public shareholding									
1. Institutions									
(a) Mutual Funds	3101359	100	3101459	0.34	3400000	100	3400100	0.37	0.03
(b) Banks/FI	10765769	NIL	10765769	1.16	15285408	NIL	15285408	1.65	0.49
(c) Central Govt.	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
(d) State Govt.(s)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
(e) Venture Capital Funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
(f) Insurance Companies	55143386	NIL	55143386	5.96	105398113	NIL	105398113	11.39	5.43
(g) FIIs	22534	NIL	22534	NIL	21174	NIL	21174	NIL	NIL
(h) Foreign Venture Capital Funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
(i) Other (specify)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Sub-Total (B)(1)	69033048	100	69033148	7.46	124104695	100	124104795	13.41	5.95
2. Non-institutions									
(a) Bodies Corporate									
(i) Indian	4656488	4200	4660688	0.50	6475125	4200	6479325	0.70	0.20
(ii) Overseas	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
(b) Individuals									
(i) Individual shareholders holding nominal share capital up to ₹ 1 lakh	16492275	86953	16579228	1.79	23597339	85617	23682956	2.56	0.77
(ii) Individual share holders holding nominal share capital in excess of ₹1 lakh.	1750328	NIL	1750328	0.19	3260494	NIL	3260494	0.35	0.16
(c) Others (specify)	976149	NIL	976149	0.11	845254	NIL	845254	0.10	-0.01
(i) Qualified Foreign Investor	2500	NIL	2500	NIL	2500	NIL	2500	NIL	NIL
(ii) Trust & Foundations	25	NIL	25	NIL	1525	NIL	1525	NIL	NIL
(iii) Non-Resident Individuals	686193	NIL	686193	0.07	841229	NIL	841229	0.10	0.03
(iv) Foreign Portfolio Investor	287431	NIL	287431	0.04	NIL	NIL	NIL	NIL	-0.04
Sub-Total (B)(2)	23875240	91153	23966393	2.59	34178212	89817	34268029	3.71	1.12
Total Public Shareholding (B)= (B)(1)+(B)(2)	92908288	91253	92999541	10.05	158282907	89917	158372824	17.12	7.07
C. Shares held by Custodians for GDRs & ADRs	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
GRAND TOTAL (A+B+C)	925126747	91253	925218000	100.00	925128083	89917	925218000	100.00	NIL



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

ii) Shareholding of Promoters

Sl. No.	Share holder's name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change in share holding during the year
		No. of Shares	% of total share of the Company	% of share Pledged/ encumbered to total shares	No. of Shares	% of total share of the Company	% of share Pledged/ encumbered to total shares	
1.	President of India	832218459	89.95	NIL	766845176	82.88	NIL	-7.07
	Total	832218459	89.95	NIL	766845176	82.88	NIL	-7.07

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

	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of Shares	% of total share of the Company	No. of Shares	% of total share of the Company
At the beginning of the year	832218459	89.95	832218459	89.95
Date wise Increase/Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/bonus/ sweat equity etc):				
(i) Sale of shares to non-retail investors on 29.9.2016	51812208	5.6	780406251	84.35
(ii) Sale of shares to retail and non-retail investors on 30.9.2016	12953052	1.4	767453199	82.95
(iii) Sale of shares to employees on 31.3.2017	608023	0.07	766845176	82.88
At the End of the year			766845176	82.88

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

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total share of the Company	No. of Shares	% of total share of the Company
	For Each of the Top 10 Shareholders				
	At the beginning of the year				
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):				
	At the End of the year (or on the date of separation, if separated during the year)				



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

1. Life Insurance Corporation of India					
At the beginning of the year	01/04/2016	48778782	5.27	48778782	5.27
Increase - Transfer	29/09/2016	50254727	5.43	99033509	10.70
At the end of the year	31/03/2017			99033509	10.70
2. Punjab National Bank					
At the beginning of the year	01/04/2016	614891	0.07	614891	0.07
Increase - Transfer	30/09/2016	4441088	0.48	5055979	0.55
At the end of the year	31/03/2017			5055979	0.55
3. Central Bank of India					
At the beginning of the year	01/04/2016	3696774	0.40	3696774	0.40
At the end of the year	31/03/2017			3696774	0.40
4. Bank of India					
At the beginning of the year	01/04/2016	3311253	0.36	3311253	0.36
At the end of the year	31/03/2017			3311253	0.36
5. General Insurance Corporation of India					
At the beginning of the year	01/04/2016	2124540	0.23	2124540	0.23
At the end of the year	31/03/2017			2124540	0.23
6. The New India Assurance Company Limited					
At the beginning of the year	01/04/2016	1844904	0.20	1844904	0.20
At the end of the year	31/03/2017			1844904	0.20
7. LIC of India Profit Plus Growth Fund					
At the beginning of the year	01/04/2016	1000000	0.11	1000000	0.11
At the end of the year	31/03/2017			1000000	0.11
8. United India Insurance Company Limited					
At the beginning of the year	01/04/2016	1000000	0.11	1000000	0.11
At the end of the year	31/03/2017			1000000	0.11
9. LIC of India Market Plus 1 Growth Fund					
At the beginning of the year	01/04/2016	1000000	0.11	1000000	0.11
At the end of the year	31/03/2017			1000000	0.11
10. Syndicate Bank					
At the beginning of the year	01/04/2016	930000	0.10	930000	0.10
At the end of the year	31/03/2017			930000	0.10

v) Shareholding of Directors and Key Managerial Personnel:

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

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



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

V. INDEBTEDNESS

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

(₹ in Crore)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	200	Nil	Nil	200
ii) Interest due but not paid	Nil			Nil
iii) Interest accrued but not due	2.18			2.18
Total (i+ii+iii)	202.18	Nil	Nil	202.18
Change in Indebtedness during the financial year				
• Addition	Nil	267.09	Nil	267.09
• Reduction	Nil	Nil	Nil	Nil
Net Change	Nil	267.09	Nil	267.09
Indebtedness at the end of the financial year				
i) Principal Amount	200*	267.09	Nil	467.09*
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	2.16	0.63	Nil	2.79
Total (i+ii+iii)	202.16	267.72	Nil	469.88

* Excluding foreign exchange fluctuations

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(₹ in Lakh)

Sl No	Particulars of Remuneration	Name of MD/WTM/ Manager					Total Amount
		K. D. Diwan	A. Anand	V. V. Venugopal Rao	S K Bhattacharya	Santosh Sharma	
1.	Gross salary						
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	44.59	30.01	26.66	24.82	26.17	152.25
	(b) Value of perquisites u/s 17(2) of the Income Tax, 1961	5.76	3.73	3.35	3.13	2.78	18.75
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961						
2.	Stock Option	0	0	0	0	0	0
3.	Sweat Equity	0	0	0	0	0	0
4.	Commission - as % of Profit - others, specify	0	0	0	0	0	0
5.	Others, please specify	0	0	0	0	0	0
	Total (A)	50.35	33.74	30.01	27.95	28.95	171.00
	Ceiling as per the Act	NA					



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

B Remuneration to other directors:

(₹ in Lakh)

Sl. No.	Particulars of Remuneration	Name of Directors						Total Amount
		U. D. Choubey	A. K. Singh	Simantini Jena	Hemant Mehtani	D R S Chaudhary	Niranjan Pant	
1.	Independent Directors • Fee for attending board/ committee meetings • Commission • Others, please specify	0.30	0.90	1.60	1.90	1.90	1.30	7.90
	Total (1)	0.30	0.90	1.60	1.90	1.90	1.30	7.90
2.	Other Non-Executive Directors • Fee for attending board/ committee meetings • Commission • Others, please specify	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Total (2)	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Total (B)=(1+2)	0.30	0.90	1.60	1.90	1.90	1.30	7.90
	Total Managerial Remuneration							7.90
	Overall Ceiling as per the Act	NA						

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

(₹ in Lakh)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961 (b) Value of perquisites u/s 17(2) of the Income Tax, 1961 (c) Profits in lieu of salary under of the section 17(3) of the Income Tax Act, 1961		26.50		26.50
			0		0
			0		0
2.	Stock Option		0		0
3.	Sweat Equity		0		0
4.	Commission - as % of profit - others, specify		0		0
5.	Others, please specify		0		0
	Total		26.50		26.50

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

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



ANNEXURE - VI TO THE DIRECTORS' REPORT

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 31.3.2017, the Board of Directors comprised five functional directors, viz., Chairman-cum-Managing Director, Director (Personnel), Director (Finance), Director (Mining) and Director (Operations), two Government nominee directors (part-time official) representing the Ministry of Mines, Government of India and four Independent directors (part-time non-official). Presently three posts of Independent directors are laying vacant (one post from 19.3.2016 and two posts from 22.10.2016). The Company has requested the Ministry of Mines, Government of India to fill up the vacant posts.

(b) Meetings, attendance & other directorship

During 2016-17, eight Board meetings were held on 30.5.2016, 22.8.2016, 26.9.2016, 13.12.2016, 16.1.2017, 10.2.2017, 27.2.2017 and 29.3.2017. Attendance of directors at Board meetings and at the last Annual General Meeting (AGM), number of directorship and membership in committees of other companies during the year were as follows:

(i) Whole time Directors

Name of the director	No of Board meetings attended out of 8 held	Attendance at last AGM held on 26.9.2016	No of directorship in other companies	No of committee position held in other companies	
				Chairman	Member
Shri K D Diwan Chairman-cum-Managing Director	8	Yes	Nil	Nil	Nil
Shri Anupam Anand Director(Personnel)	8	Yes	Nil	Nil	Nil
Shri V V Venugopal Rao Director (Finance)	8	Yes	Nil	Nil	Nil
Shri Sanjay Kumar Bhattacharya Director (Mining)	8	Yes	Nil	Nil	Nil
Shri Santosh Sharma Director (Operations)	8	Yes	Nil	Nil	Nil

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

Name of the director	No of Board meetings attended out of 8 held	Attendance at last AGM held on 26.9.2016	No of directorship in other companies	No of committee position held in other companies	
				Chairman	Member
Shri Nikunja Bihari Dhal*	3	No	NA	NA	NA
Smt Sujata Prasad**	1	No	NA	NA	NA
Shri Subhash Chandra#	5	NA	2	NIL	NIL
Ms T C A Kalyani##	NIL	NA	NA	NA	NA
Shri N K Singh###	1	NA	2	NIL	1

(*Ceased to be Director w.e.f. 20.10.2016, **Ceased to be Director w.e.f. 21.6.2016, #Appointed as Director w.e.f. 20.10.2016, ##Appointed as Director on 25.10.2016 and ceased to be Director w.e.f. 7.12.2016, ###Appointed as Director w.e.f. 15.3.2017)



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

(iii) Part time official (Independent) Directors

Name of the director	No of Board meetings attended out of 8 held	Attendance at last AGM held on 26.9.2016	No of directorship in other companies	No of committee position held in other companies	
				Chairman	Member
Shri U D Choubey*	1	Yes	NA	NA	NA
Shri Ashok Kumar Singh*	3	Yes	NA	NA	NA
Smt Simantini Jena	8	Yes	NIL	NIL	NIL
Shri Hemant Mehtani	8	Yes	1	NIL	NIL
Shri Dileep Raj Singh Chaudhary	8	Yes	2	NIL	5
Shri Niranjana Pant	7	Yes	NIL	NIL	NIL

(*Ceased to be Director on completion of tenure on 21.10.2016)

(c) Remuneration paid to Directors

(i) Whole-time Directors

The details of remuneration paid to the whole-time Directors during 2016-17 was as follows:

Name of the director	All elements of remuneration package i.e. salary, PF contribution, pension, gratuity, etc. (₹)	Performance Linked Incentives (₹)	Other Benefits (₹)	Total (₹)
Shri K D Diwan Chairman-cum-Mg Director	46,18,631	1,29,242	Medical : Nil Accommodation : 6,78,610 Electricity : 26,560	54,53,043
Shri Anupam Anand Director(Personnel)	31,82,712	91,550	Medical : 3,132 Accommodation : 7,35,406 Electricity : 38,360	40,51,160
Shri V V venugopal Rao Director(Finance)	28,23,334	81,103	Medical : 42,650 Accommodation : 6,92,435 Electricity : 32,446	36,71,968
Shri Sanjay Kumar Bhattacharya Director (Mining)	26,60,041	59,412	Medical : 40,548 Accommodation : 6,75,860 Electricity : Nil	34,35,861
Shri Santosh Sharma Director (Operations)	27,59,725	84,274	Medical : 27,687 Accommodation : 5,72,550 Electricity : Nil	34,44,236
Total	1,60,44,443	4,45,581	35,66,244	2,00,56,268

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

Independent directors are not paid any remuneration except sitting fees at the rate of ₹10,000/- per Board meeting and per Committee meeting. During 2016-17, the amount of sitting fees paid to Independent directors was as follows:

Sl. No.	Name of the director	Sitting Fees (₹)		
		Board meetings	Committee meetings	Total
1.	Shri U D Choubey	10,000	20,000	30,000
2.	Shri Ashok Kumar Singh	30,000	60,000	90,000
3.	Smt Simantini Jena	80,000	80,000	1,60,000
4.	Shri Hemant Mehtani	80,000	1,10,000	1,90,000
5.	Shri Dileep Raj Singh Chaudhary	80,000	1,10,000	1,90,000
6.	Shri Niranjana Pant	70,000	60,000	1,30,000
	Total	3,50,000	4,40,000	7,90,000



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

(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.

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 2016-17, the Committee met four times on 30.5.2016, 22.8.2016, 13.12.2016 and 10.2.2017. The composition of the Committee and attendance of the members at the meetings is given below:

Name	Category	Position	Number of meetings attended out of 4 held
Shri U D Choubey*	Independent Director	Chairman	1
Shri Ashok Kumar Singh*	-do-	Member	2
Shri Dileep Raj Singh Chaudhary	-do-	Chairman	4
Shri Hemant Mehtani	-do-	Member	4
Smt Simantini Jena#	-do-	-do-	2
Shri Niranjana Pant#	-do-	-do-	2

(*Ceased to be chairman/ member on completion of tenure on 21.10.2016, #Inducted in the Committee from 22.11.2016)

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 2016-17, the Committee met once on 30.5.2016. The composition of the Committee and attendance of the members at the meetings is given below:

Name	Category	Position	Number of meetings attended out of 1 held
Shri Ashok Kumar Singh*	Independent Director	Chairman	1
Smt. Sujata Prasad**	Govt. Nominee Director	Member	NIL
Smt. Simantini Jena	Independent Director	Chairman	1
Shri Hemant Mehtani	-do-	Member	1
Shri Dileep Raj Singh Chaudhary#	-do-	-do-	NA

(*Ceased to be chairman on completion of tenure on 21.10.2016, **Ceased to be member on cessation of directorship from 21.6.2016, #Inducted in the Committee from 22.11.2016)



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

5. Stakeholders Relationship Committee

The composition of the Stakeholders Relationship Committee is as follows:

Name	Category	Position
Shri Niranjana Pant	Independent Director	Chairman
Shri Hemant Mehtani (upto 21.10.2016)	-do-	Member
Shri Anupam Anand	Director (Personnel)	-do-
Shri V V Venugopal Rao	Director (Finance)	-do-

During 2016-17 the Company received and resolved two complaints and there was no complaint pending as on 31.3.2017. Shri C S Singhi, Company Secretary is the Compliance Officer.

6. General body meeting

Annual General Meeting:

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

Year	Date	Time	Location	Number of special resolutions passed
2014-15	19.9.2014	11.00 AM	Tamra Bhavan, 1 Ashutosh Chowdhury Avenue, Kolkata- 700019	Nil
2015-16	17.8.2015	10:30 AM	-do-	Nil
2016-17	26.9.2016	10:30 AM	-do-	1

Extraordinary General Meeting: Nil

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

7. Means of communication:

The quarterly and annual financial results are generally published in Business Standard (English) and Anand Bazar Patrika (Bengali). The financial results are also made available at the Company's website www.hindustancopper.com in addition to furnishing of the same to the NEAPS portal of NSE and Listing Centre portal of BSE.

8. General Shareholder information

- 50th Annual General Meeting (AGM)
Date : 22nd August, 2017
Time : 10:30 AM
Venue : Tamra Bhavan, 1 Ashutosh Chowdhury Avenue, Kolkata- 700019
- Financial Year : From 1st April to 31st March each year
- Book closure date : 17th August, 2017 to 22nd August, 2017 (Both days inclusive)
- Dividend payment date: The Dividend, if declared at the AGM, would be paid to shareholders within 30 days from the date of AGM.
- Listing on Stock Exchanges:

Name of Stock Exchanges	Address	Stock Code	Date from which listed	Payment of listing fee for FY 2017-18
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



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

(vi) Registrar & Share Transfer Agent

M/s C B Management Services (P) Ltd

P- 22, Bondel Road, Kolkata- 700 019

Telephone: (033) 2280 6692, 4011 6700 /18 /23 /28

Fax: (033) 4011-6739

E-mail: rta@cbmsl.com

(vii) Share transfer system

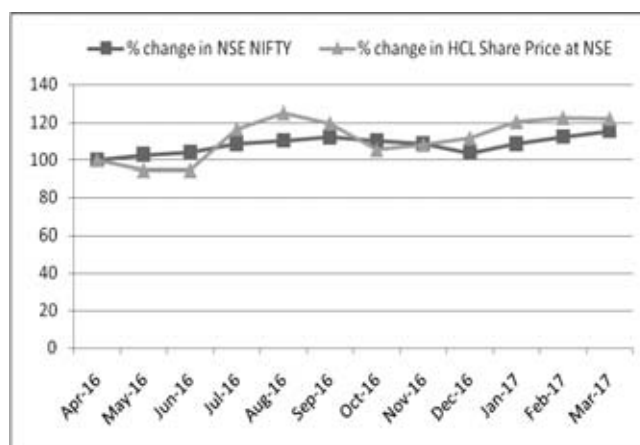
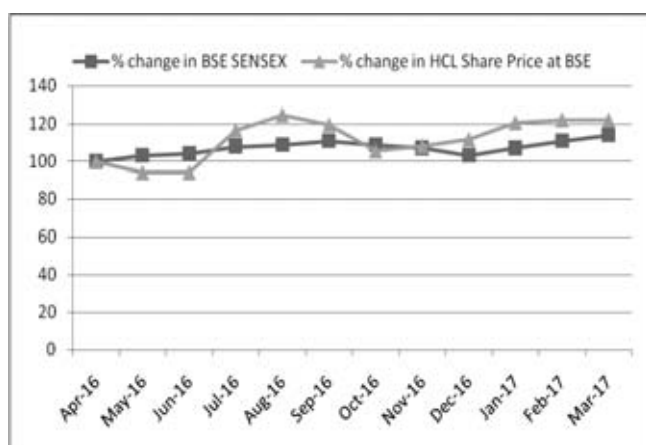
Share transfer requests lodged with the Company are processed by RTA and certificates dispatched to the buyers within 15 days from the date of lodgment.

(viii) Stock market price data

Monthly high and low price of Company's shares traded on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) during the FY 2016-17 was as follows:

Month	BSE		NSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April 2016	59.00	49.15	58.90	49.15
May 2016	55.60	42.30	55.70	42.00
June 2016	55.60	45.40	55.70	45.50
July 2016	68.80	53.55	68.70	53.20
August 2016	73.60	58.75	73.80	58.40
September 2016	70.50	59.60	70.50	59.50
October 2016	62.30	57.25	62.10	57.40
November 2016	63.85	50.10	63.70	49.95
December 2016	65.85	55.85	65.80	55.75
January 2017	71.20	59.30	71.00	59.30
February 2017	72.10	66.35	72.30	66.50
March 2017	72.00	64.90	71.95	64.90

(ix) Share price of HCL in comparison to BSE SENSEX and NSE NIFTY over the base of March, 2016 high price in percentage terms is plotted below:





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

(x) Shareholding Pattern as on 31.3.2017

Sr. No.	Category	No. of shares held	%
1	President of India	76,68,45,176	82.88
2	Mutual Funds	34,00,100	0.37
3	Financial Institutions/Banks	1,52,85,408	1.65
4	Insurance Companies	10,53,98,113	11.39
5	Bodies Corporate	64,79,325	0.70
6	NRIs/FIIs/QFIs	8,64,903	0.10
7	Trusts & Foundations	1,525	0.00
8	Indian Public	2,69,43,450	2.91
	Total	92,52,18,000	100

(xi) Distribution of shareholding as on 31.3.2017

Range		Shares	Folios	% Shares
1	500	7831226	59641	0.85
501	1000	4154265	4979	0.45
1001	2000	3538618	2273	0.38
2001	3000	2116756	815	0.23
3001	4000	1900794	536	0.21
4001	5000	1575853	329	0.17
5001	10000	3326568	443	0.36
10001	50000	4819741	241	0.52
50001	100000	2074991	28	0.22
100001 and above		893879188	36	96.61
Total		925218000	69321	100.00

(xii) Dematerialization of shares and liquidity

The Company's shares are tradable compulsorily in electronic form and are available for trading in the depository systems of both National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL). 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 31.3.2017 was as follows:

Particulars	No. of Shares	% of Holding	No. of folio
DEMAT :			
a) N S D L	913175044	98.70	41429
b) C D S L	11953039	1.29	27156
PHYSICAL	89917	0.01	736
Total	92,52,18,000	100.00	69321

(xiii) Outstanding GDRs/ADRs/ Warrants or any convertible instruments, conversion date and likely impact on equity:

The Company has neither issued any GDR/ADR nor any convertible instrument as on date.



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

(xiv) Plant locations

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

(xv) Address for correspondence

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

9. Disclosures

The Company has not entered into any transaction of material significance with the related parties during the year. The Company's Policy on Related Party Transactions is available at its website www.hindustancopper.com.

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

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

None of the directors of the Company are inter se related as on 31.3.2017. As per declaration given, none of the non-executive directors are holding any equity shares / convertible instruments in the Company. Familiarization programme imparted to Independent Directors is available at the Company's website at www.hindustancopper.com.

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

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

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



CERTIFICATE ON CORPORATE GOVERNANCE

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

We have examined the compliance of conditions of corporate governance by Hindustan Copper Limited ('the Company'), for the year ended 31st March, 2017, 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 except that during the financial year 2016-17 the numbers of Independent Directors did not comprise at least 50% of the Board of Directors, when an executive director is the chairman of the Board as required under the above Regulations.

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

For and on behalf of

A. KAYES & CO.
Chartered Accountants
FRN 311149E

CA. A K Ghosh
Partner
(MRN 052933)

Place: New Delhi
Date: 17.5.2017



ANNEXURE - VII TO THE DIRECTORS' REPORT

MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2017

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

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

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2017 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a) SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) SEBI (Prohibition of Insider Trading) Regulations, 2015;
 - c) SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 (Not applicable to the Company during the Audit Period);
 - d) SEBI (Share Based Employee Benefits) Regulations, 2014 (Not applicable to the Company during the Audit Period);
 - e) SEBI (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the Company during the Audit Period);
 - f) SEBI (Registrars to an Issue and Share Transfer Agents) Regulations, 1993.
 - g) SEBI (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during the Audit Period);
 - h) SEBI (Buyback of Securities) Regulations, 1998 (Not applicable to the Company during the Audit Period);
- (vi) Corporate Governance Guidelines issued by the Department of Public Enterprise vide their OM. No. 18(8)/2005-GM dated 14th May, 2010;
- (vii) Laws specifically applicable to the industry to which the company belongs, as identified by the management, that is to say:



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

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

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

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

I further report that,

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors and Non-Executive Directors. All appointment was made in compliance of the provision of the Act. However, in the case of Independent Directors, the company did not have minimum required 50% Independent Director. At present three posts of Independent directors are lying vacant (i. e. one post since 19.3.2016 and two posts since 22.10.2016) as per the requirement of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, since the Company is having an Executive Chairman and the matter has been referred to the Ministry of Mines, Government of India for filling of the vacant post.

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

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

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

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

Place: Kolkata

Date: 12.05.2017

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



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

ANNEXURE A TO SECRETARIAL AUDIT REPORT

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

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

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

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

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

Place: Kolkata
Date: 12.05.2017



COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF HINDUSTAN COPPER LIMITED, KOLKATA FOR THE YEAR ENDED 31 MARCH, 2017

The preparation of Financial Statements of Hindustan Copper Limited for the year ended 31 March, 2017 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 17th May, 2017

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 143(6)(a) of the Act of the Financial Statements of Hindustan Copper Limited for the year ended 31 March, 2017. This supplementary audit has been carried out independently without access to the working papers of the statutory auditor and is limited primarily to inquiries of the statutory auditor and company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditors' Report.

Place : Kolkata
Date : 16. 6. 2017

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

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



TEN YEARS AT A GLANCE

(₹ in lac)

YEAR	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08
FOR THE YEAR										
Turnover	121694	106895	112749	161590	147527	163818	128128	142985	134910	183979
Gross Profit/(Loss)	10321	3973	8113	43297	40790	47448	33939	21933	1230	33051
Depreciation and Amortisation	14190	11901	11285	17414	15098	14406	9727	8104	7372	8189
Net Profit/(Loss)	6194	3774	6760	28642	35564	32346	22410	15468	(1031)	24646
Value Added	77979	72406	71578	116505	95385	114697	99195	70182	40206	72612
Value of production	161785	121035	121947	176557	177106	170421	140946	150604	134428	199124
AT THE YEAR END										
Share Capital	46261	46261	46261	46261	46261	46261	46261	46261	46261	46261
Internal Resources	171407	162902	206288	198993	179070	151400	127597	120069	102695	101588
Borrowings	40656	20715	—	—	—	—	—	—	—	11250
Cash credit from banks	6551	—	—	—	—	—	—	5	230	98
Capital expenditure gross	179198	161749	174149	155190	142135	127855	122921	116923	111085	103706
Working Capital	56312	62351	79225	87638	82999	68585	52658	36501	36116	49206
Capital employed	91737	80163	99426	108817	103632	89502	73975	58464	57086	65748
Manpower (No.)	2843	3252	3676	4112	4498	4810	5100	5300	5440	5405



To the Members of Hindustan Copper Limited

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of Hindustan Copper Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, and the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (herein after referred to as "Ind AS financial statements").

Management's Responsibility for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed 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 of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs (financial position) of the Company as at 31st March, 2017, and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Emphasis of Matter

We draw attention to the following matters in the Note No 39-General Notes on Accounts to the Ind AS financial statements:

- 1) Vide Clause No. 2 (i) which describes the uncertainty related to the outcome of various lawsuits filed and claims of demand raised against the Company by various authorities/parties and its financial impact on the Ind AS financial statements of the company. The Company has treated those demands as disputed and not acknowledged as debt in the books and treated the same as Contingent Liabilities, the total amount of which comes to ₹38566.91Lac
- 2) Vide Clause No. 10 which describes the balances under the head Sundry Creditors, Claims Recoverable, Loans & Advances, Sundry Debtors and Deposits from and with various parties/Govt. Dept. etc. have not been confirmed in number of cases.

Our opinion is not modified in respect of these matters.



INDEPENDENT AUDITOR'S REPORT (Contd.)

Other Matter

The financial information of the Company for the year ended 31st March, 2016 and the transition date opening Balance Sheet as at 01st April, 2015 included in these Ind AS financial statements are based on the previously issued statutory financial statements for the years ended 31st March, 2016 and 31st March, 2015 prepared in accordance with the Company's (Accounting Standards) Rules, 2006 (as amended) which were audited by us, on which we expressed an unmodified opinion dated 30th May, 2016 and 28th May, 2015 respectively. The adjustments to those financial statements for the differences in accounting principles adopted by the Company on transition to Ind AS have been audited by us.

Our opinion is not modified in respect of this matter.

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 Section 143(11) of the Act, we give in the Annexure-I a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(5) of the Act, we give in the Annexure-II a statement of our replies to the directions /additional directions issued by the Comptroller and Auditor General of India (C & AG)
3. As required by section 143(3) of the Act, we report, to the extent applicable, that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and the Statement of Change in Equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, to the extent applicable.
 - (e) In our opinion, provisions under section 164(2) of the Act, regarding disqualification of Directors are not applicable to a Government company in terms of Notification No. G.S.R. 463(E) dated 05.06.2015 issued by Ministry of Corporate Affairs.
 - (f) With respect to the adequacy of internal financial control over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in the Annexure-III, and
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements (vide Clause No. 2(i) of Note No. 39 - General Notes on Accounts) and our comments made in paragraph 'Emphasis of Matter'.
 - ii. The Company did not have any material foreseeable losses on long-term contract including derivative contracts.
 - iii. According to the information and explanations given to us, there were no amounts which were required to be transferred to Investor Education and Protection Fund by the company.
 - iv. The company has provided requisite disclosures in its Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of accounts maintained by the company (vide Clause No. 31 of Note No. 39 - General Notes on Accounts).

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

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

Place : New Delhi
Date: 17. 5. 2017



ANNEXURE - I TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of its Fixed Assets.
- (b) The company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of three years. (Vide Clause No.29 of Note No. 39 - General Notes on Accounts). Accordingly, fixed assets of some units/offices of the Company were verified by external agencies during the year and no material discrepancies were noticed on such verification. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the company and the nature of its assets.
- (c) The Company has taken steps to maintain Register of Land and Building (Immovable Property) showing the details of title deeds held in the name of the Company or otherwise including total number of such cases and whether the same are leasehold/freehold.

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

However, as stated in Clause No. 4 of Note No. 39 - General Notes on Accounts, the title deed for leasehold land received from the State Government and certain freehold lands acquired through nationalization in accordance with Indian Copper Corporation (Acquisition of Undertaking) Act, 1972 in respect of Indian Copper Complex (ICC) have not yet been executed in favour of the Company and in Clause No 7 of Note No 39 - General Notes on Accounts, title deeds were not obtained/held in the name of the company in respect of office flat at SCOPE Complex, Delhi and Jaipur office for book value of ₹68.06 Lac (Previous year ₹73.32 Lac) as well as Land & Building for book value of ₹6300.54 Lac (Previous year ₹6037.30 Lac) of Gujarat Copper Project (GCP).

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

- (ii) (a) According to the information and explanations given to us, the inventories of Finished Goods, Raw Materials and Store & Spares have been physically verified by the management / external agencies during the year. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the company and the nature of its business. However, certain discrepancies arising out of verification of Store & Spares between the physical stocks and book records were noticed, which were not material considering size of the Company and the nature of its business and the same have been properly dealt with in the books of account.
- (iii) According to information and explanations given to us, the company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnership or other parties covered in the register maintained under section 189 of the Companies Act, 2013 and as such, reporting under this clause is not applicable to the Company.
- (iv) According to information and explanations given to us, the company has not advanced any loan, given any guarantee or provided any security in connection with such loan and given/made any loan/investment within the meaning of section 185 and 186 of the Companies Act, 2013 and as such, reporting under this clause is not applicable to the Company.
- (v) According to the information and explanations given to us, the company has not accepted any deposit from the public within the meaning of Section 73 to 76 or any other relevant provision of the Companies Act, 2013 and the rules framed thereunder and as such, reporting under this clause is not applicable to the Company.
- (vi) According to the information and explanations given to us, maintenance of cost records by the Company has been specified by Central Government under sub section (1) of section 148 of the Companies Act, 2013. We have broadly reviewed such cost records and we are of the opinion that, prima facie, such accounts and records have been made and maintained.
- (vii) (a) According to the records of the Company and information and explanations given to us, the Company is generally regular in depositing undisputed statutory dues including provident fund, employee state insurance, income tax, sales tax, service tax, duty of custom, duty of excise, value added tax, Cess and other statutory dues with the appropriate authorities where applicable. There is no arrear of outstanding statutory dues as at 31st March 2017 for a period of more than six months from the date they became payable excepting ₹1081.96 Lac towards Water Cess payable to Water Resources Department, Govt. of Jharkhand since the financial year 1999-2000.



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

- (b) According to the records of the Company and information and explanations given to us, the following are the details of disputed dues in respect of income tax, sales tax, entry tax, service tax, duty of custom, duty of excise, value added tax and Cess as on 31st March 2017:

Name of the Statute	Nature of Dues	Period to which the amount relates	Forum where dispute is pending	Amount (₹ in lac)
West Bengal Value Added Tax Act,	State Sales Tax/ VAT	2004-05 (RSOE)	Dy. Commissioner (Appeal)	10.46
West Bengal Value Added Tax Act,	State Sales Tax/ VAT	2008-09 (RSOE)	Sr. Jt. Commissioner (Appeal)	50.12
Central Sales Tax Act	Central Sales Tax	2007.08 (ICC)	Commissioner of Commercial Taxes, Jamshedpur	345.11
Central Excise Act	Central Excise	1985-86 (ICC)	CESTAT	60.60
Central Excise Act	Central Excise	1997-98 TO 1999-00 (ICC)	CESTAT	203.52
Central Excise Act	Central Excise	1995-96 (ICC)	CESTAT	15.65
Central Excise Act	Central Excise	2000-01 TO 2003-2004 (ICC)	CESTAT	1501.76
Central Excise Act	Central Excise	2000-2001 TO 2001-2002(ICC)	CESTAT	283.40
Central Excise Act	Central Excise	1996-97 (ICC)	CESTAT	1.46
Central Excise Act	Central Excise	1998 (ICC)	Supreme Court of India	16.00
Madhya Pradesh Value Added Tax Act,	Entry Tax	1994-95 (MCP)	Commissioner (Appeals) Jabbalpur	5.38
Madhya Pradesh Value Added Tax Act,	State Sales Tax/ VAT	2009-2010 (MCP)	Sales tax Authority (Bhopal)	34.47
Madhya Pradesh Value Added Tax Act,	State Sales Tax/ VAT	2011-12 (MCP)	Sales tax Authority (Bhopal)	16.66
Madhya Pradesh Value Added Tax Act,	State Sales Tax/ VAT	2012-13 (MCP)	Sales tax Authority (Bhopal)	99.89
Central Excise Act	Central Excise	2006-07 TO 2011-12 (MCP)	Customes,Excise & Service Tax Appalate Tribunal, New Delhi	394.97
Central Excise Act	Central Excise	2005-06 TO 2007-08 (MCP)	Commissioner Central Excise	64.19
Central Excise Act	Central Excise	1998-99 TO 2014-15 (KCC)	Commissioner Central Excise	697.22
Rajasthan Value Added Tax Act,	Entry Tax	2007-08 TO 2014-15 (KCC)	Dy. Commissioner Appeal (Bikaner)	311.67
Central Excise Act	Central Excise	2007-08 TO 2015-16 (TCP)	CESTAT	594.91
Maharashtra Value Added Tax Act,	State Sales Tax/ VAT	1994-95 (TCP)	Appellate Authority	18.81
Income Tax Act	Income Tax	2007-08, 2009-10 & 2011-12 (CO)	Commissioner of Income Tax (Appeal)	360.67
TOTAL				5086.92

*RSOE - Regional Sales Office East, *ICC - Indian Copper Complex *MCP -Malanjkhanda Copper Project
 *TCP -Taloja Copper Project, * KCC - Khetri Copper Complex, *CO - Corporate Office



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

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

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

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

Place : New Delhi
Date: 17. 5. 2017



ANNEXURE - II TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in our report of even date)

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

Sl No.	Directions	Actions Taken	Impact on the Accounts & Financial Statements
1.	Whether the company has clear/title/ lease deeds for freehold land and leasehold land respectively? If not, please state the area of freehold and leasehold land for which title/ lease deeds are not available?	In the absence of Register of Land showing details of freehold and leasehold land vis-à-vis title/lease deeds of those lands being reconciled with each other, we are unable to state the area of freehold and leasehold land for which title/ lease deeds are not available with the Company. However, as stated in Clause No. 4 and 7 to Note No. 39 - General Notes on Accounts, leasehold land received from State Government as well as freehold land acquired through nationalization in accordance with Indian Copper Corporation (Acquisition of Undertaking) Act, 1972, in respect of Indian Copper Complex (ICC) and freehold & leasehold land of ₹3709.55 Lac in respect of Gujarat Copper Project (GCP), have not yet been executed in favour of the Company.	Gross Block & Net Block of Leasehold/ Freehold Land, wherever applicable, have been duly shown in the accounts and financial statements. Hence there is no impact on the accounts and financial statements.
2.	Whether there are any cases of waiver /write off of debts/loans/interest etc., if yes, the reasons there for and the amount involved.	As per information and explanations given to us, there was no case of waiver of debts/loans/ interest etc. during the year under audit.	No such cases, hence there is no impact on the accounts and financial statements.
3.	Whether proper records are maintained for inventories lying with third parties & assets received as gift from Government or other authorities.	As per information and explanation given to us, proper records are maintained for inventory lying with third parties. However there is no inventory lying with third parties as on 31.03.2017 The company has not received any gift from Government or other authorities during the year.	There is no impact on the accounts and financial statements. No such cases, hence there is no impact on the accounts and financial statements.

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

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

Place : New Delhi
Date: 17. 5. 2017



ANNEXURE- III TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in our report of even date)

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

We have audited the internal financial controls over financial reporting of Hindustan Copper Limited ("the Company") as of 31st March 2017 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has in place, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2017, 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.

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

CA.A.K.GHOSH

Partner

Membership No. 052933

Place : New Delhi
Date: 17. 5. 2017



(₹ in lac)

BALANCE SHEET AS AT 31st MARCH 2017

PARTICULARS	Note No.	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
ASSETS				
(1) NON-CURRENT ASSETS				
(a) Property, Plant and Equipment	3	35424.95	17811.24	17883.17
(b) Capital Work In Progress	4	27860.58	39581.57	13226.44
(c) Financial Assets				
(i) Investments	5	—	—	—
(ii) Others	6	266.33	6832.34	9771.13
(d) Deferred Tax Assets (net)	7	5158.35	5782.13	4828.12
(e) Other Non-Current Assets	8	51136.80	38304.15	29063.21
(f) Non current assets classified as held for sale	9	—	—	—
(2) CURRENT ASSETS				
(a) Inventories	10	82186.93	51723.09	44244.63
(b) Financial Assets				
(i) Investments	11	0.05	7596.11	7108.24
(ii) Trade receivables	12	16507.44	5733.14	8522.15
(iii) Cash and cash equivalents	13	121.22	4151.63	3819.46
(iv) Bank Balances other than above	14	5380.84	13046.57	11585.79
(v) Others	15	14340.59	9947.82	8854.17
(c) Current tax Assets	16	74776.17	73151.57	71463.85
(d) Other current assets	17	4108.93	3552.12	13434.74
TOTAL ASSETS		317269.18	277213.48	243805.10
EQUITY AND LIABILITIES				
(1) Equity				
(a) Equity Share Capital	18	46260.90	46260.90	46260.90
(b) Other Equity	19	100435.29	94794.94	93281.07
Liabilities				
1 NON-CURRENT LIABILITIES				
(a) Financial Liabilities				
(i) Borrowings	20	20497.95	20715.26	—
(ii) Other financial liabilities	21	1035.82	—	—
(b) Provisions	22	7928.73	8891.66	7965.34
(2) CURRENT LIABILITIES				
(a) Financial Liabilities				
(i) Borrowings	23	26709.07	—	—
(ii) Trade Payables	24	15656.40	15058.90	10434.15
(iii) Other financial liabilities	25	4648.88	4732.02	2988.43
(b) Other current liabilities	26	16286.95	12927.09	10928.45
(c) Provisions	27	6746.78	5367.29	5645.34
(d) Current Tax Liabilities	28	71062.41	68465.42	66301.42
TOTAL EQUITY & LIABILITIES		317269.18	277213.48	243805.10
Corporate Information	1			
Significant Accounting Policies	2			
General Notes on Accounts	39			

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

For and on behalf of the Board of Directors

C.S.Singhi

Company Secretary
(M No. FCS 2570)

V. V.VENUGOPAL RAO

Director (Finance)
(DIN : 02950920)

K D Diwan

Chairman-cum-Managing Director
(DIN : 01829545)

In terms of our report of even date attached.

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

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

Partner
Place : New Delhi
Date: 17. 5. 2017



STATEMENT OF CHANGES IN EQUITY

Statement of Changes in Equity					(₹ in lac)	
A . Equity Share Capital					Balance at the end of the reporting period 31.03.2016	
Balance at the beginning of the reporting period 01.04.2015					46260.90	
B. Other Equity					46260.90	
Particulars	General Reserve	Capital Reserve	Corporate Social Responsibility Reserve	Special Reserve for S & T Assets	Retained Earnings	Total
Balance at the beginning of the reporting period 01.04.2015	8965.09	21166.24	524.69	—	62624.05	93281.07
Dividends & Dividend Tax	—	—	—	—	(1670.36)	(1670.36)
Deferred Tax Adjustments (Net)	—	—	—	—	(1023.15)	(1023.15)
Fair Value of Investment (Net)	—	—	—	—	9.80	9.80
Profit for the Year	—	—	—	—	4355.81	4355.81
Amount used during the year	(0.12)	—	(158.11)	—	—	(158.23)
Balance at the end of the reporting period 31.03.2016	8965.97	21166.24	366.58	—	64296.15	94794.94
Statement of Changes in Equity					(₹ in lac)	
A . Equity Share Capital					Balance at the end of the reporting period 31.03.2017	
Balance at the beginning of the reporting period 01.04.2016					46260.90	
B. Other Equity					46260.90	
Particulars	General Reserve	Capital Reserve	Corporate Social Responsibility Reserve	Special Reserve for S & T Assets	Retained Earnings	Total
Balance at the beginning of the reporting period 01.04.2016	8965.97	21166.24	366.58	—	64296.15	94794.94
Profit for the Year	—	—	—	—	5784.03	5784.03
Any other changes	—	—	(143.68)	—	—	(143.68)
Balance at the end of the reporting period 31.03.2017	8965.97	21166.24	222.90	—	70080.18	100435.29

For and on behalf of the Board of Directors

C.S.Singhi

Company Secretary
(M No. FCS 2570)

In terms of our report of even date attached.

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

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

Partner
Place : New Delhi
Date: 17. 5. 2017

V. V.VENUGOPAL RAO

Director (Finance)
(DIN : 02950920)

K D Diwan

Chairman-cum-Managing Director
(DIN : 01829545)



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2017

Particulars	Note No.	For the year ended 31st March 2017	For the year ended 31st March 2016
I Revenue from Operations	29	122039.58	107187.57
II Other Income	30	11782.67	4891.60
III Total Income (I+II)		133822.25	112079.17
IV EXPENSES			
Cost of Materials Consumed	31	29392.94	4541.48
Changes in Inventories of Finished Goods, Semi-Finished and Work-In-Process	32	(27130.87)	(8720.97)
Employee Benefits Expense	33	33046.22	32537.82
Finance Costs	34	901.47	12.88
Depreciation and Amortisation Expense	35	14190.27	11901.31
General, Administration & Other Expenses	36	73967.97	67811.38
Total Expenses (IV)		124368.00	108083.90
V PROFIT /(LOSS) BEFORE EXCEPTIONAL ITEMS AND TAX (I-IV)		9454.25	3995.27
VI Exceptional items		—	—
VII PROFIT /(LOSS) BEFORE TAX (V-VI)		9454.25	3995.27
VIII TAX EXPENSE	37		
1) Current Tax		2609.00	2176.01
2) Deferred Tax		628.96	(1977.16)
IX PROFIT /(LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS (VII-VIII)		6216.29	3796.42
X Profit/(Loss) from discontinued operations		(34.70)	(34.70)
XI Tax expense of discontinued operations		(12.01)	(12.01)
XII PROFIT/(LOSS) FROM DISCONTINUED OPERATIONS AFTER TAX (X -XI)		(22.69)	(22.69)
XIII PROFIT /(LOSS) FOR THE PERIOD (IX+XII)		6193.60	3773.73
XIV OTHER COMPREHENSIVE INCOME	38		
A(i) Items that will not be reclassified to Profit or Loss		(409.57)	591.88
A(ii) Income Tax relating to items that will not be reclassified to Profit or Loss		—	—
B(i) Items that will be reclassified to Profit or Loss		—	—
B(ii) Income Tax relating to items that will be reclassified to Profit or Loss		—	—
XV TOTAL COMPREHENSIVE INCOME FOR THE PERIOD (XIII+XIV) (Comprising Profit/(Loss) and Other Comprehensive Income for the period)		5784.03	4365.61
XVI Earning per equity share (for continuing operations)			
1 BASIC (₹)		0.672	0.410
2 DILUTED (₹)		0.672	0.410
XVII Earning per equity share (for discontinued operations)			
1 BASIC (₹)		(0.002)	(0.002)
2 DILUTED (₹)		(0.002)	(0.002)
XVIII Earning per equity share (for discontinued & continuing operations)			
1 BASIC (₹)		0.670	0.408
2 DILUTED (₹)		0.670	0.408
Corporate Information	1		
Significant Accounting Policies	2		
General Notes on Accounts	39		
The notes referred to above form an integral part of the Statement of Profit & Loss.			

For and on behalf of the Board of Directors

C.S.Singhi

Company Secretary
(M No. FCS 2570)

V. V.VENUGOPAL RAO

Director (Finance)
(DIN : 02950920)

K D Diwan

Chairman-cum-Managing Director
(DIN : 01829545)

In terms of our report of even date attached.

For A.KAYES & CO.

Chartered Accountants

FRN 311149E

CA. A.K. GHOSH

(M RN 052933)

Partner

Place : New Delhi

Date: 17. 5. 2017



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2017

(₹ in lac)

	For the year ended 31st March 2017	For the year ended 31st March 2016
A. CASH FLOW FROM OPERATING ACTIVITIES :		
NET PROFIT/ (LOSS) BEFORE TAX AS PER STATEMENT OF PROFIT AND LOSS	9454.25	3995.27
Adjusted for :		
Depreciation	2317.50	1467.92
Provisions charged	425.74	618.94
Provisions written back	(547.40)	(311.24)
Interest expense	901.47	12.88
Amortisation	11872.77	10433.40
Interest income	(2421.26)	(2702.07)
Dividend income	(4.67)	(316.69)
Transfer from Special reserve	—	(0.12)
Loss / (Profit) on disposal of fixed assets	(28.73)	(40.45)
OPERATING PROFIT/ (LOSS) BEFORE WORKING CAPITAL CHANGES	21969.67	13157.84
Adjusted for :		
Decrease/ (Increase) in Trade & other Receivables	(10776.27)	2378.25
Decrease/ (Increase) in Inventories	(30426.85)	(6292.39)
Decrease/ (Increase) in Current & Non-Current assets	(9738.20)	9131.93
Increase/ (Decrease) in Current & Non-Current Liabilities	4639.68	9463.99
CASH GENERATED FROM OPERATIONS	(24331.97)	27839.62
Tax Refund received	663.29	—
Taxes paid	(2287.90)	(1687.72)
NET CASH FROM OPERATING ACTIVITIES (A)	(25956.58)	26151.90
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Fixed Assets	(9244.79)	(29063.62)
Sale of Fixed Assets	33.03	56.93
Interest received	3183.60	2449.25
Dividend received	4.67	316.69
Mine Development Expenditure	(19751.26)	(18886.53)
NET CASH USED IN INVESTING ACTIVITIES (B)	(25774.75)	(45127.28)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Non-current borrowings	—	20000.00
Dividends paid	—	(1387.83)
Tax on Dividend	—	(282.53)
Interest paid	(840.65)	(12.88)
NET CASH USED IN FINANCING ACTIVITIES (C)	(840.65)	18316.76
NET INCREASE IN CASH AND CASH EQUIVALENTS (A + B + C)	(52571.98)	(658.62)
CASH AND CASH EQUIVALENTS - opening balance	31613.21	32271.83
CASH AND CASH EQUIVALENTS - closing balance	(20958.77)	31613.21
(details in Annexure-A)		

For and on behalf of the Board of Directors

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

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

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

In terms of our report of even date attached.

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

CA. A.K. GHOSH
(M RN 052933)
Partner
Place : New Delhi
Date: 17. 5. 2017



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2017

ANNEXURE - A

(₹ in lac)

1. CASH AND CASH EQUIVALENTS - Opening Balance

01/04/2016

01/04/2015

i) Current Financial Assets - Cash & Cash Equivalents (Note 13)	4151.63	3819.46
ii) Current Financial Assets - Bank Balance other than above (Note 14) (Excluding Unpaid Dividend of ₹12.79 lac as on 01/04/2015 & ₹13.44 lac as on 01/04/2016)	13033.13	11573.00
iii) Current Financial Assets - Investments (Note 11)	7596.11	7108.24
iv) Non-current Financial Assets - Others (Note 6)	6832.34	9771.13
	31613.21	32271.83

CASH AND CASH EQUIVALENTS - Closing Balance

31/03/2017

31/03/2016

i) Current Financial Assets - Cash & Cash Equivalents (Note 13)	121.22	4151.63
ii) Current Financial Assets - Bank Balance other than above (Note 14) (Excluding Unpaid Dividend of ₹13.35 lac & Margin Money of ₹4.79 lac as on 31/03/2017)	5362.70	13033.13
iii) Current Financial Assets - Investments (Note 11)	0.05	7596.11
iv) Non-current Financial Assets - Others (Note 6)	266.33	6832.34
v) Current Financial Liabilities - Borrowings (Note 23)	(26709.07)	—
	(20958.77)	31613.21

2. The Cash Flow Statement has been prepared under the Indirect Method as set out in Indian Accounting Standard Ind AS 7 - Statement of Cash Flows.

BALANCE SHEET



I. The following reconciliations provide the effect of transition to Ind AS from IGAAP (Previous Accounting Standards) in accordance with Ind AS 101 (₹ in lac)

		Opening Balance Sheet as at 1st April, 2015			Balance Sheet as at 31st March, 2016		
Particulars	Note	IGAAP	Effect of Transition to Ind AS	Ind AS	IGAAP	Effect of Transition to Ind AS	Ind AS
ASSETS							
1 Non-current assets							
(a) Property, Plant and Equipment	A	20201.24	(2318.07)	17883.17	19997.34	(2186.10)	17811.24
(b) Capital work-in-progress	B	13226.44	-	13226.44	40569.38	(987.81)	39581.57
(c) Investment Property		-	-	-	-	-	-
(d) Goodwill		-	-	-	-	-	-
(d) Other Intangible Assets		-	-	-	-	-	-
(f) Intangible Assets under development		-	-	-	-	-	-
(g) Biological Assets other than bearer plants		-	-	-	-	-	-
(h) Financial Assets		-	-	-	-	-	-
(i) Investments		-	-	-	-	-	-
(ii) Trade Receivables		-	-	-	-	-	-
(iii) Loans		-	-	-	-	-	-
(iv) Others	C	5889.27	3881.86	9771.13	5909.96	922.38	6832.34
(i) Deferred tax assets (net)	D	5668.38	(840.26)	4828.12	7650.72	(1028.33)	5782.13
(j) Other non current assets	E	71907.21	(42844.00)	29063.21	81188.48	4556.94	38304.15
(k) Non current assets classified as held for sale							
Total non-current Assets		116892.54	(42120.47)	74772.07	155315.88	1277.08	108311.43
2 Current assets							
(a) Inventories		44244.63	-	44244.63	51723.09	-	51723.09
(b) Financial Assets							
(i) Investments	F	7108.24	-	7108.24	7581.13	14.98	7596.11
(ii) Trade receivables		8522.15	-	8522.15	5733.14	-	5733.14
(iii) Cash and cash equivalents	G	25176.51	(21357.05)	3819.46	24031.42	(19879.79)	4151.63
(iv) Bank Balances other than (iii) above	H	-	11585.79	11585.79	-	13046.57	13046.57
(v) Loans		-	-	-	-	-	-
(vi) Others	I	15465.22	(6611.05)	8854.17	5927.67	4020.15	9947.82
(c) Current tax Assets (Net)	J	-	71463.85	71463.85	-	73151.57	73151.57
(d) Other current assets	K	3213.49	10221.25	13434.74	4032.27	(480.15)	3552.12
Total Current Assets		103730.24	65302.79	169033.03	99028.72	69873.33	168902.05
Total Assets		220622.78	23182.32	243805.10	254344.60	71150.41	277213.48

(₹ in lac)

		Opening Balance Sheet as at 1st April, 2015				Balance Sheet as at 31st March, 2016			
Particulars	Note	IGAAP	Effect of Transition to Ind AS	Ind AS		IGAAP	Effect of Transition to Ind AS	Ind AS	
EQUITY AND LIABILITIES									
1. Equity									
(a) Equity Share capital		46260.90		46260.90		46260.90		46260.90	
(b) Other Equity	L	139892.24	(46611.17)	93281.07		145077.63	(3671.52)	94794.94	
Total Equity		186153.14	(46611.17)	139541.97		191338.53	(3671.52)	141055.84	
LIABILITIES									
1 Non-current liabilities									
(a) Financial Liabilities									
(i) Borrowings		—	—	—		20715.26	—	20715.26	
(ii) Trade Payables		—	—	—		—	—	—	
(iii) Other financial liabilities	M	1998.83	(1998.83)	—		2273.50	(2273.50)	—	
(b) Provisions		7965.34	—	7965.34		8891.66	—	8891.66	
(c) Deferred tax liabilities (Net)		—	—	—		—	—	—	
(d) Other non-current liabilities		—	—	—		—	—	—	
(e) Liabilities associated with group(s) of assets held for disposal		—	—	—		—	—	—	
Total Non-current liabilities		9964.17	(1998.83)	7965.34		31880.42	(2273.50)	29606.92	
2 Current liabilities									
(a) Financial Liabilities									
(i) Borrowings		—	—	—		—	—	—	
(ii) Trade Payables		10434.15	—	10434.15		15058.90	—	15058.90	
(iii) Other financial liabilities	N	—	2988.43	2988.43		—	4732.02	4732.02	
(b) Other current liabilities	O	11918.05	(989.60)	10928.45		15385.61	(2458.52)	12927.09	
(c) Provisions	P	2153.27	3492.07	5645.34		681.14	6356.51	5367.29	
(d) Current Tax Liabilities (Net)	Q	—	66301.42	66301.42		—	68465.42	68465.42	
Total Current liabilities		24505.47	71792.32	96297.79		31125.65	77095.43	106550.72	
Total Liability		220622.78	23182.32	243805.10		254344.60	71150.41	277213.48	





EXPLANATIONS FOR RECONCILIATION OF BALANCE SHEET AS PREVIOUSLY REPORTED UNDER IGAAP TO IND AS

As on 01.04.2015

A. Adjustments include re-classification of carrying value of Leasehold Land to Prepaid Expenses for more than 1 year of ₹2179.32 lac under Other non-current Assets and Prepaid Expenses for less than 1 year of ₹138.75 lac under Other Current Assets

B. NIL.

C. Adjustments include re-classification of Capital Advances of ₹2417.95 lac to Other non-current Assets, Employee Advance of ₹3.65 lac and Deposits of ₹3467.67 lac to Current Financial Assets - Others and Bank Deposit with more than 12 months maturity of ₹9771.13 lac from Cash and cash equivalents.

D. Adjustments include net effect of Deferred Tax Assets of ₹840.26 lac to Retained Earnings under Other Equity.

E. Adjustments include re-classification of Carrying value of Leasehold Land amounting to ₹2179.32 lac from Property, Plant & Equipment, Capital Advances of ₹2417.95 lac from Financial Assets - Others under Non-current Assets and ₹47441.27 lac for Mine Development Expenditure to Retained Earnings under Other Equity.

F. NIL

G. Adjustments include re-classification of Bank Deposit with more than 12 months maturity of ₹9771.13 lac to Financial Assets - Others under Non-current Assets, Bank Deposit with more than 3 months and up to 12 months maturity of ₹11573.00 lac and Unpaid Dividend of ₹12.79 lac to Other Bank Balances and Imprest Cash of ₹0.13 lac to Financial Assets - Others under Current Assets.

H. Adjustments include re-classification of Bank Deposit with more than 3 months and up to 12 months maturity of ₹11573.00 lac and Unpaid Dividend of ₹12.79 lac from Cash and cash equivalents.

I. Adjustments include re-classification of Employee Advance of ₹3.65 lac and Deposit of ₹3467.67 lac from Financial Assets - Others under Non-current Assets & Interest accrued on LC from customers, Deposits and House Building Loan of ₹1386.42 lac, Claims recoverable of ₹1614.14 lac from Other Current Assets and Imprest Cash of ₹0.13 lac from Cash and Cash Equivalents and Advance to Supplier/Contractor of ₹13083.06 lac to Other Current Assets.

J. Adjustments include reclassification of Advance Tax of ₹71463.85 lac from Current Liabilities - Provisions.

K. Adjustments include re-classification of Carrying value of Leasehold Land amounting to ₹138.75 lac from Property, Plant & Equipment, Advance to Supplier/Contractor of ₹13083.06 lac from Financial Assets - Others under Current Assets, Interest accrued on LC from customers, Deposits and House Building Loan of ₹1386.42 lac and Claims recoverable of ₹1614.14 lac to Financial Assets - Others under Current Assets.

L. Adjustments include net effect of Deferred Tax Assets of ₹840.26 lac from Deferred Tax Asset (NET) and Mine Development Expenditure of ₹47441.27 lac from Other Non-current Assets and Proposed Dividend of ₹1387.83 lac and Tax on Proposed Dividend of ₹282.53 lac for FY 2014-15 declared and approved in FY 2015-16 from Provisions under Current Liabilities.

M. Adjustments include re-classification of Deposits & Retention Money of ₹1998.83 lac to Other Financial Liabilities under Current Liabilities.

N. Adjustments include re-classification of Deposits & Retention Money of ₹1998.83 lac from Other Financial Liabilities under Non-Current Liabilities, Deposits & Retention Money of ₹524.03 lac, Unpaid Dividend of ₹12.79 lac and employee liabilities of ₹452.78 lac from Other Current Liabilities.

O. Adjustments include re-classification of Deposits & Retention Money of ₹524.03 lac, Unpaid Dividend of ₹12.79 lac and employee liabilities of ₹452.78 lac to Other Financial Liabilities under Current Liabilities.

P. Adjustments include re-classification of Proposed Dividend of ₹1387.83 lac and Tax on Proposed Dividend of ₹282.53 lac for FY 2014-15 declared and approved in FY 2015-16 to Other Equity, Advance Tax of ₹71463.85 lac to Current Tax Assets (Net) and Provision for Current Tax of ₹66301.42 lac to Current Tax Liabilities (Net).

Q. Adjustments include re-classification of Provision for Current Tax of ₹66301.42 lac from Provisions under Current Liabilities.



EXPLANATIONS FOR RECONCILIATION OF BALANCE SHEET AS PREVIOUSLY REPORTED
UNDER IGAAP TO IND AS

As on 31.03.2016

- A. Adjustments include carrying value of Leasehold Land reclassified as Prepaid Expenses for more than 1 year of ₹2054.13 lac under Other non-current Assets and Prepaid Expenses for less than 1 year of ₹131.97 lac under Other Current Assets.
- B. Adjustments include re-classification of excess inventory of ₹987.81 lac from Other Equity.
- C. Adjustments include re-classification of Capital Advances of ₹2502.81 lac to Other non-current Assets, Employee Advance of ₹10.46 lac and Deposits of ₹3396.69 lac to Current Assets - Financial Assets - Others and Bank Deposit with more than 12 months maturity of ₹6832.34 lac from Cash and Cash Equivalents.
- D. Adjustments include net effect of Deferred Tax Assets of ₹1023.15 lac to Retained Earnings under Other Equity. Also there is an effect of Tax on Fair Value of Investments amounting to ₹5.18 lac.
- E. Adjustments include re-classification of Carrying value of Leasehold Land amounting to ₹2054.13 lac from Property, Plant & Equipment, Capital Advances of ₹2502.81 lac from Financial Assets - Others under Non-current Assets.
- F. Adjustments include impact of Fair Value of Investment of ₹14.98 lac.
- G. Adjustments include re-classification of Bank Deposit with more than 12 months maturity of ₹6832.34 lac to Financial Assets - Others under Non-current Assets, Bank Deposit with more than 3 months and up to 12 months maturity of ₹13033.13 lac and Unpaid Dividend of ₹13.44 lac to Other Bank Balances and Imprest Cash of ₹0.88 lac to Financial Assets - Others under Current Assets.
- H. Adjustments include re-classification of Bank Deposit with more than 3 months and up to 12 months maturity of ₹13033.13 lac and Unpaid Dividend of ₹13.44 lac from Cash and Cash Equivalents.
- I. Adjustments include re-classification of Employee Advance of ₹10.46 lac and Deposit of ₹3396.69 lac from Financial Assets - Others under Non-current Assets & Interest accrued on LC from customers, Deposits and House Building Loan of ₹1639.24 lac, Claims recoverable of ₹2155.05 lac from Other Current Assets and Imprest Cash of ₹0.88 lac from Cash and Cash Equivalents and Advance to Supplier/Contractor of ₹3182.17 lac to Other Current Assets.
- J. Adjustments include Advance Tax of ₹73151.57 lac from Current Liabilities - Provisions.
- K. Adjustments include re-classification of Carrying value of Leasehold Land amounting to ₹131.97 lac from Property, Plant & Equipment, Advance to Supplier/Contractor of ₹3182.17 lac from Financial Assets - Others under Current Assets, Interest accrued on LC from customers, Deposits and House Building Loan of ₹1639.24 lac and Claims recoverable of ₹2155.05 lac to Financial Assets - Others under Current Assets.
- L. Adjustments include net effect of Deferred Tax Assets of ₹1023.15 lac to Retained Earnings and Proposed Dividend of ₹1387.83 lac and Tax on Proposed Dividend of ₹282.53 lac for FY 2014-15 declared and approved in FY 2015-16 is adjusted to Provisions under Current Liabilities. Also adjustments include re-classification of excess inventory of ₹987.81 lac to Capital Work in Progress and impact of Fair Value of Investment of ₹14.98 lac and an effect of Tax on the same amounting to ₹5.18 lac.
- M. Adjustments include re-classification of Deposits & Retention Money of ₹2273.50 lac to Other Financial Liabilities under Current Liabilities.
- N. Adjustments include re-classification of Deposits & Retention Money of ₹2273.50 lac from Other Financial Liabilities under Non-Current Liabilities, Deposits & Retention Money of ₹559.73 lac, Unpaid Dividend of ₹13.44 lac, Other liabilities of ₹1667.10 lac and Interest accrued but not due on borrowings - ₹218.25 lac from Other Current Liabilities.
- O. Adjustments include re-classification of Deposits & Retention Money of ₹559.73 lac, Unpaid Dividend of ₹13.44 lac, Other liabilities of ₹1667.10 lac and Interest accrued but not due on borrowings - ₹218.25 lac to Other Financial Liabilities under Current Liabilities.
- P. Adjustments include re-classification of Proposed Dividend of ₹1387.83 lac and Tax on Proposed Dividend of ₹282.53 lac for FY 2014-15 declared and approved in FY 2015-16 from Other Equity, Advance Tax of ₹73151.57 lac to Current Tax Assets (Net) and Provision for Current Tax of ₹68465.42 lac to Current Tax Liabilities (Net).
- Q. Adjustments include re-classification of Provision for Current Tax of ₹68465.42 lac from Provisions" under Current Liabilities.



STATEMENT OF PROFIT AND LOSS

II. THE FOLLOWING RECONCILIATIONS PROVIDE THE EFFECT OF TRANSITION TO IND AS FROM IGAAP (PREVIOUS ACCOUNTING STANDARD) IN ACCORDANCE WITH IND AS 101

(₹ in lac)

	Note No.	For the year ended 31st March, 2016 As per I-GAAP	Effect of Transition to Ind AS	For the year ended 31st March, 2016 As per Ind AS
I Revenue from Operations	A	107187.57		107187.57
Less : Excise Duty		10311.76	(10311.76)	—
Revenue from Operations (Net)		96875.81		107187.57
II Other Income	B	4876.62	14.98	4891.60
III TOTAL INCOME (I+II)		101752.43		112079.17
IV EXPENSES				
Cost of Materials Consumed		4541.48		4541.48
Changes in Inventories of Finished Goods, Semi-Finished and In-Process		(8720.97)		(8720.97)
Employee Benefits Expense	C	31939.78	598.04	32537.82
Finance Costs	D	144.09	(131.21)	12.88
Depreciation and Amortisation Expenses	E	12033.28	(131.97)	11901.31
General, Administration & Other Expenses	F	57277.30	10534.08	67811.38
TOTAL EXPENSES (IV)		97214.96		108083.90
V PROFIT /(LOSS) BEFORE EXCEPTIONAL ITEMS AND TAX (I-IV)		4537.47		3995.27
VI Exceptional items		—		—
VII PROFIT /(LOSS) BEFORE TAX (V-VI)		4537.47		3995.27
VIII TAX EXPENSES	G			
1) Current Tax	H	2164.00	12.01	2176.01
2) Deferred Tax		(1982.34)	(5.18)	(1977.16)
IX PROFIT /(LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS (VII-VIII)		4355.81		3796.42
X Profit/(Loss) from discontinued operations	I	—	34.70	(34.70)
XI Tax expense of discontinued operations	G	—	(12.01)	(12.01)
XII PROFIT/(LOSS) FROM DISCONTINUED OPERATIONS AFTER TAX (X -XI)		—		(22.69)
XIII PROFIT /(LOSS) FOR THE PERIOD (IX+XII)		4355.81		3773.73
XIV OTHER COMPREHENSIVE INCOME (OCI)	K			
A(i) Items that will not be reclassified to Profit/Loss			(591.88)	(591.88)
A(ii) Income Tax relating to items that will not be reclassified to Profit & Loss				
B(i) Items that will be reclassified to Profit/Loss				
B(ii) Income Tax relating to items that will be reclassified to Profit & Loss				
XV TOTAL COMPREHENSIVE INCOME FOR THE PERIOD (XIII+XIV) (Comprising Profit/(Loss) and Other Comprehensive Income for the period)		4355.81	9.80	4365.61

Explanations for reconciliation of Statement of Profit and Loss as previously reported under IGAAP to Ind AS

- A) Excise Duty of ₹10311.76 lac has been reclassified to Other Expenses from Revenue from Operations
- B) Fair value on investment of ₹14.98 lac has been considered in Other Income
- C) Actuarial Gain /Loss on Gratuity of Employees of ₹591.88 lac reclassified to OCI from Employees benefit expenses & Parttime Director Sitting Fees of ₹6.16 lac reclassified to Employees benefit expenses from Other expenses
- D) Bank charges of ₹131.21 lac reclassified to Other Expenses from Finance Costs
- E) Depreciation on Leasehold land of ₹131.97 lac reclassified partly to Other expenses ₹97.27 lac and remaining to Discontinuing Operations ₹34.70 lac from Depreciation & Amortisation
- F) Other Expenses reclassified from Excise Duty ₹10311.76 lac, Bank charges ₹131.21 lac, Depreciation & Amortisation ₹97.27 Lakh and Part time Director Sitting Fees of ₹6.16 lac respectively
- G) Current Tax of ₹12.01 lac on Discontinuing operations reclassified to Tax expenses on Discontinuing operations
- H) Deferred Tax Liability on Fair value on investment of ₹5.18 lac has been considered in Deferred Tax
- I) Depreciation on Lease hold land of Discontinuing Operations - ₹34.70 lac transferred from Depreciation & Amortisation
- J) Current Tax of ₹12.01 lac on Discontinuing operations reclassified to Tax expenses on Discontinuing operations from Current Tax expenses
- K) Actuarial Gain /(Loss) on Gratuity of Employees of ₹591.88 lac reclassified to OCI from Employees benefit expenses



CASH FLOW STATEMENT

III. THE FOLLOWING RECONCILIATIONS PROVIDE THE EFFECT OF THE TRANSITION TO IND AS FROM IGAAP (PREVIOUS ACCOUNTING STANDARD) IN ACCORDANCE WITH IND AS 101

(₹ in lac)

	For the year ended 31st March, 2016 As per I-GAAP	Effect of Transition to Ind AS	For the year ended 31st March, 2016 As per Ind AS
A. CASH FLOW FROM OPERATING ACTIVITIES :			
NET PROFIT/ (LOSS) BEFORE TAX AS PER STATEMENT OF PROFIT AND LOSS	4537.47	(542.20)	3995.27
Adjusted for :			
Depreciation	1599.88	(131.96)	1467.92
Provisions charged	618.94		618.94
Provisions written back	(311.24)		(311.24)
Interest expense	144.09	(131.21)	12.88
Amortisation	10433.40		10433.40
Interest income	(2702.07)		(2702.07)
Dividend income	(316.69)		(316.69)
Transfer from Special reserve	(0.12)		(0.12)
Loss / (Profit) on disposal of fixed assets	(40.45)		(40.45)
OPERATING PROFIT/ (LOSS) BEFORE WORKING CAPITAL CHANGES	13963.21	(805.37)	13157.84
Adjusted for :			
Decrease/ (Increase) in Trade & other Receivables	2378.25		2378.25
Decrease/ (Increase) in Inventories	(6292.39)		(6292.39)
Decrease/ (Increase) in Current & Non-Current assets	8916.49	215.44	9131.93
Increase/ (Decrease) in Current & Non-Current Liabilities	8578.11	885.88	9463.99
CASH GENERATED FROM OPERATIONS	27543.67	295.95	27839.62
Taxes paid	(1687.72)		(1687.72)
NET CASH FROM OPERATING ACTIVITIES (A)	25855.95	295.95	26151.90
B. CASH FLOW FROM INVESTING ACTIVITIES :			
Purchase of Fixed Assets	(28650.04)	(413.58)	(29063.62)
Sale of Fixed Assets	56.93		56.93
Interest received	2449.25		2449.25
Dividend received	316.69		316.69
Sale of / (Investment in) Mutual funds	300.94	(300.94)	
Mine Development Expenditure	(18886.53)		(18886.53)
NET CASH USED IN INVESTING ACTIVITIES (B)	(44412.76)	(714.52)	(45127.28)
C. CASH FLOW FROM FINANCING ACTIVITIES			
Non-current borrowings	20000.00		20000.00
Dividends paid	(1387.83)		(1387.83)
Tax on Dividend	(282.53)		(282.53)
Interest paid	(144.09)	131.21	(12.88)
NET CASH USED IN FINANCING ACTIVITIES (C)	18185.55	131.21	18316.76
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	(371.26)	(287.36)	(658.62)
CASH AND CASH EQUIVALENTS - opening balance	31983.81		32271.83
CASH AND CASH EQUIVALENTS - closing balance	31612.55		31613.21

Reconciliation of Cash Flow Statement for the year ended 31st March 2016

Explanations for differences between the previously reported IGAAP line items and Ind AS line items due to the effects of transition to Ind AS are as per Note No. I & II for Balance Sheet and Statement of Profit & Loss respectively.



NOTES TO IND AS FINANCIAL STATEMENTS

1. Corporate Information

Established in 1967 and domiciled in India, Hindustan Copper Limited 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 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)

All companies (listed or unlisted) having net worth of ₹50,000 Lakhs or more are required to adopt Ind AS. The requirement to present comparatives implies that phase 1 companies will require an Ind AS compliant opening Balance Sheet as of 1 April 2015.

In the current year, Indian Accounting Standards (Ind AS) have been notified by MCA under the Companies (Indian Accounting Standards) Rules, 2015 ("Ind AS Rules"), of the Companies Act, 2013 and are mandatorily effective for the accounting period that begins on or after 1 April 2016.

The Company has adopted all the Ind AS as applicable and its adoption was carried out in accordance with Ind AS 101 - First Time Adoption of Indian Accounting Standards. The transition was carried out from the previous accounting principles generally accepted in India (IGAAP) to the current Ind AS and its effect with reconciliation and description have been summarised in Note No. I, II & III.

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.

2.4 Revenue Recognition

Sale of Products

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

Other Income

a. Interest from Customers

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

b. Claims

Claims are recognized in the Statement of Profit & Loss (Net of any payable) on actual basis including receivables



NOTES TO IND AS FINANCIAL STATEMENTS (Contd.)

from Government towards subsidy, cash incentives, reimbursement of losses, insurance claims etc, where it is reasonably certain that these assets will be realised.

c.Dividend and Interest from Investments

Dividend income and interest income from investments is recognised in the Statement of Profit and Loss when the right to receive the same 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.

d.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.

e.Penalty and Liquidated Damages

Penalty and liquidated damages are accounted for as and when these are realised and/or considered recoverable by the company.

f.Others

Any other income is recognised on accrual basis.

2.5 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.



NOTES TO IND AS FINANCIAL STATEMENTS (Contd.)

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.

2.6 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

2.7 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.

2.8 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.



NOTES TO IND AS FINANCIAL STATEMENTS (Contd.)

2.9(a) Property Plant and Equipments

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 fructuous projects abandoned subsequently are provided for in the Statement of Profit & Loss.

2.9(b) Intangible Assets

Identifiable intangible assets are recognized when the company controls the asset; it is probable that future economic benefits associated with respective assets will be realized for more than one economic period. At initial recognition, intangible assets are recognized at cost. Intangible assets are amortized on straight line basis over estimated useful life from the date on which they are available on use. Intangible Assets other than Software are amortized over estimated useful life which is equivalent to license period, generally not more than 5 years. However, Software which are considered as Intangible Assets are fully amortised in the year in which the expenses are incurred.

2.10 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 and the stripping ratio of the mine as determined by the company at the weighted average rate. Subsequently, if any ore is reclaimed from overburden, the same is valued on the basis of opening rate of mine development expenditure.

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

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



NOTES TO IND AS FINANCIAL STATEMENTS (Contd.)

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.

2.11 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.

2.12 Mine Closure Expenditure

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

2.13 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. A non-current asset (or disposal group) is classified as being 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 measured in accordance with applicable Indian Accounting Standards.

2.14 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. 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.

Liability for excise duty on finished goods in stock lying at works or warehouses is provided in the accounts and also considered in stock valuation.

The inventories out of inter-unit transfers at the close of the year are valued on the basis of cost to the transferor unit.

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.

Scrap sales are accounted for on delivery of material.

2.15 Grants-in-Aid

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.

2.16 Impairment of Assets

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,



NOTES TO IND AS FINANCIAL STATEMENTS (Contd.)

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 statement of 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.

2.17 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 realisability 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.

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.

2.18 Provisions

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.

2.19 Contingent Liabilities/ Assets

Contingent Liabilities

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

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.



NOTES TO IND AS FINANCIAL STATEMENTS (Contd.)

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.

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 Prior Period Items

Errors of material amount relating to prior period(s) are disclosed by a note with nature of prior period errors, amount of correction of each such prior period presented retrospectively, to the extent practicable along with change in basic and diluted earnings per share. However where retrospective restatement is not practicable for a particular 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 Research and Development Expenditure

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

2.25 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.



NOTES TO IND AS FINANCIAL STATEMENTS (Contd.)

Note No 3. PROPERTY, PLANT AND EQUIPMENTS

(₹ in lac)

DESCRIPTION	Free Hold Land	Buildings including Sanitary and Water Supply System	Plant, Machinery and Mining Equipment	Furniture & Fixtures and Office Equipment	Vehicles	Roads, Bridges and Culverts	Railway Siding	Electrical Equipment and Installation	Shafts and inclines	Total
YEAR ENDED										
31ST MARCH 2016										
Gross Carrying Amount										
Opening as at 1st April 2015	151.61	3807.30	11197.44	342.31	263.64	123.29	327.51	1255.21	414.86	17883.17
Additions	61.15		443.25	41.60	11.59	1458.50		181.42	43.09	2240.60
Inter-head Adjustments			(2.25)	4.44				(2.19)		—
Disposals			(170.28)							(170.28)
Closing Gross Carrying Amount	151.61	3868.45	11468.16	388.35	275.23	1581.79	327.51	1434.44	457.95	19953.49
Accumulated Depreciation										
Depreciation charge during the year		296.28	1453.23	55.26	48.28	233.67	33.64	162.55	13.14	2296.05
Inter-head Adjustments			(2.25)	4.03				(1.78)		—
Disposals			(153.80)							(153.80)
Closing Accumulated Depreciation	—	296.28	1297.18	59.29	48.28	233.67	33.64	160.77	13.14	2142.25
Net Carrying Amount	151.61	3572.17	10170.98	329.06	226.95	1348.12	293.87	1273.67	444.81	17811.24
YEAR ENDED										
31ST MARCH 2017										
Gross Carrying Amount										
Opening Gross Carrying Amount	151.61	3572.17	10170.98	329.06	226.95	1348.12	293.87	1273.67	444.81	17811.24
Additions	2294.97	2974.98	13469.09	119.10	4.00	470.79	0.00	1373.59	—	20706.52
Disposals			(196.46)	(4.46)	(27.23)					(228.15)
Closing Gross Carrying Amount	2446.58	6547.15	23443.61	443.70	203.72	1818.91	293.87	2647.36	444.81	38289.61
Accumulated Depreciation										
Depreciation charge during the year		387.61	2034.37	69.73	38.20	315.25	32.67	202.61	13.99	3094.43
Impairment Losses			(5.92)						(5.92)	—
Exchange Differences										—
Inter-head Adjustments			(193.70)	(4.24)	(25.91)					—
Assets classified as held for sale										—
Disposals										(223.85)
Closing Accumulated Depreciation	—	387.61	1834.75	65.49	12.29	315.25	32.67	202.61	13.99	2864.66
Net Carrying Amount	2446.58	6159.54	21608.86	378.21	191.43	1503.66	261.20	2444.65	430.82	35424.95

Note :

The company has taken the exemption available in Ind AS 101 with respect to recognition of Property, Plant, Equipments (PPE) and Intangible Assets at their carrying value, as their deemed cost on to the date of transition and the same became the new Gross Block as on 01.04.2015.



NOTES TO IND AS FINANCIAL STATEMENTS (Contd.)

	(₹ in lac)		
	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Note No 4 CAPITAL WORK IN PROGRESS			
i) Plant & Machinery	11780.05	22400.91	3957.61
ii) Others including Mine Expansion	19473.44	20573.57	12661.74
	31253.49	42974.48	16619.35
Less: Provision	3392.91	3392.91	3392.91
TOTAL	27860.58	39581.57	13226.44
Note No 5 NON - CURRENT FINANCIAL ASSETS - INVESTMENTS			
i) Non Trade Investment in Debentures	0.17	0.17	0.17
Less : Provision for diminution in value	0.17	0.17	0.17
	—	—	—
TOTAL	—	—	—
AGGREGATE BOOK VALUE - UNQUOTED	Nil	Nil	Nil
AGGREGATE BOOK VALUE - QUOTED	—	—	—
MARKET PRICE OF QUOTED INVESTMENT	—	—	—
Note No 6 NON - CURRENT FINANCIAL ASSETS - OTHERS			
a) Bank deposits with more than 12 months maturity	266.33	6832.34	9771.13
TOTAL	266.33	6832.34	9771.13
Note No 7 DEFERRED TAX ASSETS (NET)			
i) DEFERRED TAX ASSET			
OPENING BALANCE	8066.60	7410.65	8158.45
Adj/Charge during the year	417.66	655.95	(747.80)
CLOSING BALANCE	8484.26	8066.60	7410.65
ii) DEFERRED TAX LIABILITY			
OPENING BALANCE	(2279.30)	(2582.54)	(4368.14)
Adj/Credit during the year	(1046.62)	303.24	1785.60
CLOSING BALANCE	(3325.92)	(2279.30)	(2582.54)
	5158.35	5787.31	4828.12
iii) DEFERRED TAX LIABILITY FROM OCI ON FAIR VALUE OF INVESTMENT	—	(5.18)	—
i)-ii)-iii) DEFERRED TAX ASSETS / (LIABILITIES) (Net)	5158.35	5782.13	4828.12



NOTES TO IND AS FINANCIAL STATEMENTS (Contd.)

(₹ in lac)

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Note No 8 OTHER NON-CURRENT ASSETS			
a) MOBILISATION ADVANCES			
i) Secured (considered good)	2538.84	2502.81	2417.95
ii) Unsecured (considered good)			
– Against Bank Guarantee	–	–	–
– Others	–	–	–
iii) Unsecured (considered doubtful)	0.02	0.02	0.02
Less: Provisions for Mobilisation Advances *	0.02	–	0.02
b) Other Loans & Advances			
Receivable from MPSEB	2822.26		
c) Mine Development Expenditure			
As per Last Balance Sheet	38412.07	29130.80	62281.67
Add: Expenditure during the Year (as per Note Below)	20561.97	19808.08	23602.33
	58974.04	48938.88	85884.00
Less: Value of Ore recovered during Mine Development	33.78	93.41	–
Less: Amortisation during the Year	11872.77	11906.55	9311.93
Less: MCP Mine Development Expenditure as on 01.04.2015 written off as per Ind As 101 Appendix B	–	–	47441.27
	47067.49	38412.07	29130.80
Less: Provision	4664.86	4664.86	4664.86
TOTAL	42402.63	33747.21	24465.94
Note: MINE DEVELOPMENT EXPENDITURE DURING THE YEAR			
i) Salaries, Wages, Allowances	3206.18	2901.07	3250.03
ii) Contribution to Provident & Other Funds	258.26	256.38	299.18
iii) Workmen & Staff Welfare Expenses	42.04	211.52	224.89
iv) Gratuity	–	77.38	215.55
v) Stores, Spares & Tools Consumed	3296.69	3727.11	5791.75
vi) Power, Fuel & Water	423.76	451.21	546.80
vii) Royalty	2.34	8.76	–
viii) Repair & Maintenance	2987.11	4280.28	3910.73
ix) Insurance	2.82	2.36	2.69
x) Overburden Removal Expenditure	9248.01	6656.45	7543.50
xi) Depreciation	776.93	828.14	587.01
xii) Other Expenses	317.83	407.42	1230.20
TOTAL	20561.97	19808.08	23602.33
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 notes thereof.			
Amortisation during the year is in relation to the expenses incurred on mines which are under operation/production and does not include expenditure on prospecting of minerals in new mines area.			
d) Prepaid Expenses			
Expenses on Leasehold Land	3373.07	2054.13	2179.32
TOTAL	3373.07	2054.13	2179.32
TOTAL (a+b+c+d)	51136.80	38304.15	29063.21
PROVISIONS FOR MOBILISATION ADVANCES *			
OPENING BALANCE	0.02	0.02	0.02
Additions during the year	–	–	–
Amount used during the year	–	–	–
CLOSING BALANCE	0.02	0.02	0.02



NOTES TO IND AS FINANCIAL STATEMENTS (Contd.)

	<u>As at</u> <u>31st March, 2017</u>	<u>As at</u> <u>31st March, 2016</u>	(₹ in lac) <u>As at</u> <u>1st April, 2015</u>
Note No 9 NON CURRENT ASSETS CLASSIFIED AS HELD FOR SALE			
ASSETS HELD FOR SALE			
Gross Block	6116.31	6243.81	6243.81
Less: Depreciation	<u>5373.00</u>	<u>5493.37</u>	<u>5493.37</u>
NET BLOCK	743.31	750.44	750.44
Less: Provision	<u>743.31</u>	<u>750.44</u>	<u>750.44</u>
NET BLOCK (NET OF PROVISIONS)	<u>—</u>	<u>—</u>	<u>—</u>

Note No 10 INVENTORIES

i) Raw Materials	22.01	20.24	15.75
ii) Semi-Finished and In-Process (at lower of cost or net realisable value)	66947.31	44255.79	35900.87
Less: Provision for Semi-Finished and In-Process *	<u>136.27</u>	<u>136.27</u>	<u>136.27</u>
iii) Finished Goods (at lower of cost or net realisable value)	6090.23	1650.89	1284.84
iv) Stores and spares	11202.01	8481.61	7516.99
Stores in transit/ pending inspection	<u>573.82</u>	<u>—</u>	<u>2299.41</u>
	11775.83	8481.61	9816.40
Less: Provision for Obsolete Stores & Spares**	<u>2512.18</u>	<u>2549.17</u>	<u>2636.96</u>
v) Loose tools	—	—	—
TOTAL	<u>82186.93</u>	<u>51723.09</u>	<u>44244.63</u>
PROVISION FOR SEMI-FINISHED AND IN-PROCESS *			
OPENING BALANCE	136.27	136.27	136.27
Additions during the year	—	—	—
Amount used during the year	<u>—</u>	<u>—</u>	<u>—</u>
CLOSING BALANCE	<u>136.27</u>	<u>136.27</u>	<u>136.27</u>
PROVISION FOR OBSOLETE STORES & SPARES**			
OPENING BALANCE	2549.17	2636.96	2384.78
Additions during the year	118.44	110.46	320.19
Amount used during the year	<u>155.43</u>	<u>198.25</u>	<u>68.01</u>
CLOSING BALANCE	<u>2512.18</u>	<u>2549.17</u>	<u>2636.96</u>



NOTES TO IND AS FINANCIAL STATEMENTS (Contd.)

	As at 31st March, 2017	As at 31st March, 2016	(₹ in lac) As at 1st April, 2015
Note No 11 CURRENT FINANCIAL ASSETS-INVESTMENTS			
INVESTMENTS IN MUTUAL FUNDS (Maturity within 12 months) :			
UTI FIXED TERM INCOME FUND SERIES XVIII-VII (368 DAYS)- GROWTH	—	—	100.00
SBI TREASURY ADVANTAGE - GROWTH	—	—	200.94
INVESTMENTS IN MUTUAL FUNDS : (Maturity within 3 months from date of original investments)			
UTI MONEY MARKET - GROWTH	0.05	430.41	500.00
SBI PREMIER LIQUID FUND - GROWTH		430.56	500.00
SBI TREASURY ADVANTAGE - GROWTH			504.20
SBI MICF LIQUID FLOATER - DIVIDEND		107.34	
SBI MICF LIQUID FLOATER - GROWTH		1904.69	402.09
SBI ULTRA SHORT TERM DEBT FUND - GROWTH		2345.52	
SBI ULTRA SHORT TERM DEBT FUND - DIVIDEND		108.66	
SBI MICF - GROWTH			1500.00
CANARA REBECO LIQUID FUND - GROWTH			300.00
CANARA REBECO YEILD ADVANTAGE FUND-GROWTH		506.35	
CANARA REBECO SAVINGS PLUS FUND - GROWTH		1227.57	1301.01
CANARA REBECO SAVINGS PLUS FUND - DIVIDEND		104.59	
IDBI ULTRA SHORT TERM FUND- GROWTH			300.00
IDBI LIQUID FUND - GROWTH		430.42	1500.00
TOTAL	0.05	7596.11	7108.24
AGGREGATE BOOK VALUE - UNQUOTED	0.05	7581.13	Nil
AGGREGATE BOOK VALUE - QUOTED	Nil	Nil	300.94
MARKET PRICE OF QUOTED INVESTMENT	0.05	7596.11	310.15

Note No 12 CURRENT FINANCIAL ASSETS-TRADE RECEIVABLES

a) DEBTS OUTSTANDING

i) - Secured - Considered good	16507.44	5733.14	8522.15
ii) - Unsecured - Considered good	—	—	—
iii) - Considered doubtful and provided	934.59	932.62	521.86
	17442.03	6665.76	9044.01
Less: Allowances for bad & doubtful debts *	934.59	932.62	521.86
TOTAL	16507.44	5733.14	8522.15

ALLOWANCES FOR BAD & DOUBTFUL DEBTS *

OPENING BALANCE	932.62	521.86	424.79
Additions during the year	1.97	417.51	99.21
Amount used during the year	—	6.75	2.14
CLOSING BALANCE	934.59	932.62	521.86

Explanatory Note: -

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



NOTES TO IND AS FINANCIAL STATEMENTS (Contd.)

	(₹ in lac)		
	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Note No 13 CURRENT FINANCIAL ASSETS-TRADE RECEIVABLES			
I. CASH AND CASH EQUIVALENTS			
i. Cheques, drafts on hand	—	—	—
ii. Cash on hand	0.25	4.54	6.97
iii. Balance with Banks			
-Current Account	120.97	624.60	1612.49
-Cash Credit Account	—	—	—
II. OTHER BALANCES WITH BANK			
i) Bank deposits upto 3 months maturity from date of original investment			
With scheduled banks	—	3522.49	2200.00
With other banks	—	—	—
TOTAL	121.22	4151.63	3819.46
Note No 14 CURRENT FINANCIAL ASSETS - BANK BALANCE OTHER THAN ABOVE			
i) Other Balances with Bank			
- In Dividend Balance Account	13.35	13.44	12.79
- As Margin money/under lien	4.79	—	—
ii) Bank deposits with more than 3 months and upto 12 months maturity			
With scheduled banks	5362.70	13033.13	11573.00
With other banks	—	—	—
TOTAL	5380.84	13046.57	11585.79
Note No 15 CURRENT FINANCIAL ASSETS - OTHERS			
a) ADVANCES*			
i) Employees			
- Secured (considered good)	93.98	97.69	82.50
- Unsecured (considered doubtful)	2.03	2.03	2.03
	96.01	99.72	84.53
b) INTEREST ACCRUED ON			
i) LC from Customers	24.82	14.51	38.32
ii) Investments	—	—	—
iii) Deposits	846.09	1616.79	1336.00
iv) Others	5.99	7.94	12.10
	876.90	1639.24	1386.42
c) CLAIMS RECOVERABLE			
i) Claims recoverable from different agencies	1886.94	2329.85	1789.94
Less: Provision for Doubtful Claims *	133.14	174.80	175.80
	1753.80	2155.05	1614.14
d) DEPOSITS			
Other Deposits	11689.44	6131.29	5821.69
Less : Provision for Doubtful Deposits *	75.56	77.48	52.61
	11613.88	6053.81	5769.08
TOTAL	14340.59	9947.82	8854.17
DETAILS OF PROVISIONS			
PROVISION FOR DOUBTFUL CLAIMS *			
OPENING BALANCE	174.80	175.80	175.80
Additions during the year	—	—	—
Amount used during the year	41.66	1.00	—
CLOSING BALANCE	133.14	174.80	175.80
PROVISIONS FOR DEPOSITS **			
OPENING BALANCE	77.48	52.61	49.94
Additions during the year	2.53	24.87	2.67
Amount used during the year	4.45	—	—
CLOSING BALANCE	75.56	77.48	52.61
Explanatory Note: -			
PARTICULARS OF LOANS AND ADVANCES DUE FROM DIRECTORS			
i) Amount due at the end of the year	₹ Nil	₹ Nil	₹ Nil
ii) Advance due by firms or private companies in which any Director of the Company is a Partner or a director or a member amounts to ₹ Nil (Previous year ₹ Nil)			



NOTES TO IND AS FINANCIAL STATEMENTS (Contd.)

	As at 31st March, 2017	As at 31st March, 2016	(₹ in lac) As at 1st April, 2015
Note No 16 CURRENT TAX ASSETS			
Income Tax (including advance income tax, TDS) Unsecured - Considered good	74776.17	73151.57	71463.85
CLOSING BALANCE	74776.17	73151.57	71463.85
Note No 17 OTHER CURRENT ASSETS			
a) Advances to contractors / suppliers			
- Secured (considered good)	461.99	-	-
- Unsecured (considered good)	-	-	-
- Against Bank Guarantee	-	-	-
- Others	1377.53	2136.36	1868.28
- Unsecured (considered doubtful)	66.05	182.19	179.07
	1905.57	2318.55	2047.35
b) Other Advances			
- secured (considered good)	861.32	1047.84	11216.80
- Unsecured (considered doubtful)	152.44	140.19	132.78
	1013.76	1188.03	11349.58
	2919.33	3506.58	13396.93
Less : Provision for Doubtful and Advances*	220.51	324.41	313.88
	2698.82	3182.17	13083.05
c) Other Current Assets			
i) Other Current Assets	1318.00	241.50	216.45
Less: Provision for Other Current Assets**	3.52	3.52	3.52
	1314.48	237.98	212.93
d) Other Recoverables			
i) Other Recoverables	-	-	-
e) Prepaid Expenses			
Rent for Leasehold Land	95.63	131.97	138.75
TOTAL	4108.93	3552.12	13434.74
PROVISION FOR DOUBTFUL ADVANCES *			
OPENING BALANCE	324.41	313.88	213.73
Additions during the year	17.87	12.11	100.15
Amount used during the year	121.77	1.58	-
CLOSING BALANCE	220.51	324.41	313.88
DETAILS OF PROVISIONS			
PROVISION FOR OTHER CURRENT ASSETS **			
OPENING BALANCE	3.52	3.52	3.52
Additions during the year	-	-	-
Amount used during the year	-	-	-
CLOSING BALANCE	3.52	3.52	3.52



NOTES TO IND AS FINANCIAL STATEMENTS (Contd.)

	As at		As at		(₹ in lac)	
	31st March, 2017		31st March, 2016		As at	
					1st April, 2015	
	In No.	(₹ in lac)	In No.	(₹ in lac)	In No.	(₹ in lac)
Note No 18 EQUITY SHARE CAPITAL						
a) AUTHORISED SHARE CAPITAL						
- Equity Share Capital	1800000000	90000.00	1800000000	90000.00	1800000000	90000.00
- 7.50% Non-Cum. Redeemable Preference Shares	2000000	20000.00	2000000	20000.00	2000000	20000.00
b) PAR VALUE PER EQUITY SHARE (in ₹)		5.00		5.00		5.00
c) PAR VALUE PER PREFERENCE SHARE (in ₹)		1000.00		1000.00		1000.00
d) NO. OF SHARES ISSUED, SUBSCRIBED AND FULLY PAID UP						
- Equity Share Capital	925218000	46260.90	925218000	46260.90	925218000	46260.90
- 7.50% Non-Cum. Redeemable Preference Shares	-	-	-	-	-	-
TOTAL		46260.90		46260.90		46260.90
e) RECONCILIATION OF NO. OF SHARES & SHARE CAPITAL						
OUTSTANDING:	No. of Shares	(₹ in lac)	No. of Shares	(₹ in lac)	No. of Shares	(₹ in lac)
OUTSTANDING AS ON 01.04.2016	925218000	46260.90	925218000	46260.90	925218000	46260.90
Add: No. of shares/Share Capital issued/ subscribed during the year	-	-	-	-	-	-
Less: Reduction in no. of shares/Share Capital	-	-	-	-	-	-
OUTSTANDING AS ON 31.03.2017	925218000	46260.90	925218000	46260.90	925218000	46260.90
f) TERMS/RIGHTS ATTACHED TO EQUITY SHARES	The Company has only one class of Equity Shares having par value of ₹5/- each and is entitled to one vote per share. The dividend proposed by Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.					
g) SHARES IN THE COMPANY HELD BY EACH SHAREHOLDER HOLDING MORE THAN 5 PERCENT OF THE NUMBER OF SHARES	In No.	In (%)	In No.	In (%)	In No.	In (%)
- President of India	766845176	82.88%	832218459	89.95%	832218459	89.95%
- Life Insurance Corporation of India	99033509	10.70%	48778782	5.27%	48319178	5.22%



NOTES TO IND AS FINANCIAL STATEMENTS (Contd.)

	As at		As at		(₹ in lac)
	31st March, 2017		31st March, 2016		As at 1st April, 2015
Note No 19 OTHER EQUITY					
a) CAPITAL RESERVE					
AS PER LAST BALANCE SHEET	21166.24		21166.24		21166.24
Add: Additions during the year	—		987.81		—
Less: Transferd to CWIP	—		987.81		—
AS AT BALANCE SHEET DATE	21166.24		21166.24		21,166.24
b) SPECIAL RESERVE FOR S & T ASSETS					
AS PER LAST BALANCE SHEET	—		0.12		7.63
Add: Additions during the year	—		0.12		0.12
Less: Transfer to General Reserve	—		—		7.51
AS AT BALANCE SHEET DATE	—		—		—
c) GENERAL RESERVE					
AS PER LAST BALANCE SHEET	8965.97		8966.09		8958.58
Add: Transfer from Surplus	—		—		—
Add: Transfer from Special Reserve	—		(0.12)		7.51
AS AT BALANCE SHEET DATE	8965.97		8965.97		8966.09
d) CORPORATE SOCIAL RESPONSIBILITY FUND					
AS PER LAST BALANCE SHEET	366.58		524.69		607.46
Add: During the year	—		—		—
Less: Amount reversed during the year	—		—		—
Less: Amount used during the year	143.68	222.90	158.11	366.58	82.77
AS AT BALANCE SHEET DATE	—	—	—	—	524.69
e) Retained Earning *	70080.18		64296.15		62624.05
TOTAL	100435.29		94794.94		93281.07
Details of Retained Earning*					
Profit for the year as per Statement of Profit and Loss	5784.03		4365.61		3309.02
Balance brought forward	64296.15		62624.05		105926.20
BALANCE AVAILABLE FOR APPROPRIATION	70080.18		66989.66		109235.22
i) Transfer to General Reserve	—		—		—
Deferred Tax Assets(net) Adj.	—		(1,023.15)		(840.26)
MCP Mine Development Expenditure as on 01.04.2015 written off as per Ind As 101 Appendix B	—		—		(47441.27)
ii) Add/Less :Dividend					
- Interim	—		—		—
- Final	—		(1,387.83)		1387.83
iii) Add /Less :Tax on Dividend					
- Interim	—		—		—
- Final	—		(282.53)		282.53
BALANCE CARRIED FORWARD	70080.18		64296.15		62624.05



NOTES TO IND AS FINANCIAL STATEMENTS (Contd.)

	As at 31st March, 2017	As at 31st March, 2016	(₹ in lac) As at 1st April, 2015
Note No 20 NON-CURRENT FINANCIAL LIABILITIES - BORROWINGS			
a) BONDS/ DEBENTURES			
- Secured	—	—	—
- Unsecured	—	—	—
b) TERM LOANS			
• From Banks/ FIs			
- Secured	20497.95	20715.26	—
- Unsecured	—	—	—
c) DEFERRED PAYMENT LIABILITIES	—	—	—
d) DEPOSITS	—	—	—
TOTAL	20497.95	20715.26	—
Note No 21 NON-CURRENT FINANCIAL LIABILITIES - OTHERS			
i) Others	1035.82	—	—
TOTAL	1035.82	—	—
Note No 22 NON - CURRENT - PROVISIONS			
a) PROVISION FOR EMPLOYEE BENEFITS			
i) PROVISION FOR LEAVE ENCASHMENT AS PER LAST BALANCE SHEET	9641.92	8811.22	7855.29
Additions during the year	200.00	830.70	955.93
Amount used during the year	342.27	—	—
CLOSING BALANCE	9499.65	9641.92	8811.22
ii) PROVISION FOR GRATUITY AS PER LAST BALANCE SHEET	(750.26)	(845.88)	(4424.82)
Additions during the year	200.00	2095.62	3578.94
Amount used during the year	1020.66	2000.00	—
CLOSING BALANCE	(1570.92)	(750.26)	(845.88)
TOTAL	7928.73	8891.66	7965.34



NOTES TO IND AS FINANCIAL STATEMENTS (Contd.)

	As at 31st March, 2017	As at 31st March, 2016	(₹ in lac) As at 1st April, 2015
Note No 23 CURRENT FINANCIAL LIABILITIES - BORROWINGS			
a) SHORT TERM LOANS			
• From Banks/ FIs			
- Secured (Secured by hypothecation of Stock-in-Trade, Stores & Spare Parts and Book Debts, both present and future of the Company)	6551.37	—	—
- Unsecured	—	—	—
-Buyers' Credit	20157.70	—	—
TOTAL	26709.07	—	—
Note No 24 CURRENT FINANCIAL LIABILITIES - TRADE PAYABLE			
i) Total outstanding dues of micro enterprises and small enterprises	450.73	1475.34	2057.36
ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	15205.67	13583.56	8376.79
TOTAL	15656.40	15058.90	10434.15
Note No 25 CURRENT FINANCIAL LIABILITIES - OTHERS			
i) Interest accrued but not due on borrowings & term loans	279.07	218.25	—
ii) Unpaid dividend	13.35	13.44	12.79
iii) Deposits/ Retention money	3107.84	2833.23	2522.86
iv) Other liabilities	652.18	1667.10	452.78
v) Forward Cover Contract Liability	596.44	—	—
TOTAL	4648.88	4732.02	2988.43
Note No 26 OTHER CURRENT LIABILITIES			
i) Statutory dues payables	6169.34	3295.87	3321.55
ii) Advances from Customers	3514.47	3098.04	2688.27
iii) Sundry Creditors - Others	6603.14	6533.18	4918.63
TOTAL	16286.95	12927.09	10928.45



NOTES TO IND AS FINANCIAL STATEMENTS (Contd.)

	(₹ in lac)		
	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Note No 27 CURRENT - PROVISIONS			
a) PROVISION FOR EMPLOYEE BENEFITS			
i) PROVISION FOR LEAVE ENCASHMENT			
AS PER LAST BALANCE SHEET	879.20	724.70	646.06
Additions during the year	1252.33	154.50	78.64
Amount used during the year	—	—	—
CLOSING BALANCE	2131.53	879.20	724.70
ii) PROVISION FOR GRATUITY			
AS PER LAST BALANCE SHEET	(4081.89)	(390.28)	4395.70
Additions during the year	44.01	(3691.61)	(4785.98)
Amount used during the year	—	—	—
CLOSING BALANCE	(4037.88)	(4081.89)	(390.28)
iii) PROVISION FOR LEAVE TRAVEL CONCESSION (LTC)			
AS PER LAST BALANCE SHEET	96.90	87.10	72.47
Additions during the year	6.73	9.80	14.63
Amount used during the year	—	—	—
CLOSING BALANCE	103.63	96.90	87.10
iv) PROVISION FOR PRP/INCENTIVE			
AS PER LAST BALANCE SHEET	150.00	575.00	500.00
Additions during the year	300.00	75.00	75.00
Amount used during the year	75.00	500.00	—
CLOSING BALANCE	375.00	150.00	575.00
v) PROVISION FOR WAGE REVISION			
AS PER LAST BALANCE SHEET	5953.00	2598.00	—
Additions during the year	—	3355.00	2598
Amount used during the year	—	—	—
CLOSING BALANCE	5953.00	5953.00	2598.00
b) OTHERS			
ii) PROPOSED DIVIDEND			
AS PER LAST BALANCE SHEET	—	—	9252.18
Additions during the year	—	1387.83	—
Amount used during the year	—	1387.83	9252.18
CLOSING BALANCE	—	—	—
iii) TAX ON PROPOSED DIVIDEND			
AS PER LAST BALANCE SHEET	—	—	1572.41
Additions during the year	—	282.53	—
Amount used during the year	—	282.53	1572.41
CLOSING BALANCE	—	—	—
iv) PROVISION - OTHERS			
AS PER LAST BALANCE SHEET	2370.08	2050.82	2293.50
Additions during the year	8160.07	9109.42	4628.08
Amount used during the year	8308.65	8790.16	4870.76
CLOSING BALANCE	2221.50	2370.08	2050.82
TOTAL	6746.78	5367.29	5645.34
Note No 28 CURRENT TAX LIABILITIES			
PROVISION FOR CURRENT TAXATION			
AS PER LAST BALANCE SHEET	68465.42	66301.42	63138.38
Additions during the year	2596.99	2164.00	3163.04
Amount used during the year	—	—	—
CLOSING BALANCE	71062.41	68465.42	66301.42
Less : Advance Tax Adjustment	—	—	—
CLOSING BALANCE	71062.41	68465.42	66,301.42



NOTES TO IND AS FINANCIAL STATEMENTS (Contd.)

	(₹ in lac)	
	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Note No 29 REVENUE FROM OPERATIONS		
SALE OF PRODUCTS		
- Domestic	98515.99	93254.68
- Export	23178.07	13639.80
	121694.06	106894.48
Less : Discount & Rebate	831.43	234.66
SALES (Net of Discounts) (A)	120862.63	106659.82
SALE OF SERVICES (B)	65.70	231.22
OTHER OPERATING REVENUES (C)	1111.25	296.53
TOTAL (A+B+C)	122039.58	107187.57
Note No 30 OTHER INCOME		
A) TRADE		
- Interest received from Customers	261.68	398.54
- Claims	3.56	-
SUB TOTAL (A)	265.24	398.54
B) NON-TRADE		
- Dividend income -Mutual Fund	4.67	316.69
- Interest from Term Deposits	1434.98	1939.11
- Interest - Others	724.60	364.42
SUB TOTAL (B)	2164.25	2620.22
C) OTHER INCOME		
- Profit on sale of Assets	28.73	40.45
- Provisions not required written back #	547.40	311.24
- Profit on Sale of Investment	49.72	235.66
- Profit on Fair Value of Investment	-	14.98
- Penalty & Liquidated Damages	1640.43	613.99
Less : Refunded during the year	36.20	285.29
- Transfer from Special Reserve	-	0.12
- Other Income -MPSEB	4946.33	-
- Exchange Rate Variation	1133.39	-
- Others	1043.38	941.69
SUB TOTAL (C)	9353.18	1872.84
TOTAL (A+B+C)	11782.67	4891.60
Details of Provisions not required written back #		
(Refer Note No. 15 of General Notes on Accounts)		
Detail of Provisions not required written back		
Bad and doubtful debts	-	6.75
Bad and doubtful advances / deposits	126.22	3.57
Bad and doubtful claims	41.66	-
Provision for Obsolete Inventory	0.20	7.15
Excess provision of non-moving stores	151.80	136.02
Provision of Fixed Assets	8.98	-
Provision for Wealth Tax Liabilities	-	0.17
Provision for MP Rural Infrastructure & Road Development Tax/ others	146.32	157.58
Provision for CST on Anode slime	64.72	-
Provision for Impairment Loss	5.92	-
Old Liability no longer required	1.58	-
TOTAL	547.40	311.24



NOTES TO IND AS FINANCIAL STATEMENTS (Contd.)

	(₹ in lac)	
	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Note No 31 COST OF MATERIALS CONSUMED		
Raw Materials Consumed	29359.16	4448.07
Value of Ore Raised During Mine Development	33.78	93.41
TOTAL	29392.94	4541.48
Note No 32 CHANGES IN INVENTORIES OF FINISHED GOODS, SEMI-FINISHED AND WORK- IN-PROCESS		
A. OPENING STOCK:		
Finished Goods	1650.89	1284.84
Semi-Finished and In-Process	44255.79	35900.87
TOTAL OPENING STOCK	45906.68	37185.71
B. CLOSING STOCK:		
Finished Goods	6090.23	1650.89
Semi-Finished and In-Process	66947.32	44255.79
TOTAL CLOSING STOCK	73037.55	45906.68
(INCREASE)/ DECREASE (A-B)	(27130.87)	(8720.97)
Note No 33 EMPLOYEES' BENEFITS EXPENSE		
Salaries, Wages & Allowances	27633.13	29070.70
Bonus/Ex-gratia/Performance Related Pay	475.66	506.09
Contribution to Provident & Other Funds	2393.82	2273.89
Workmen & Staff Welfare Expenses	1790.02	1752.47
Gratuity	744.55	(1071.49)
Director Expenses	9.04	6.16
TOTAL	33046.22	32537.82
Explanatory Note: -		
The detail of Remuneration paid/payable to Directors as included in above payments are as follows: -		
(i) Salaries & Allowances	173.79	188.40
(ii) Contribution to Provident & Other Funds	13.19	11.11
(iii) Re-imbursement of Medical Expenses	1.14	0.23
(iv) Leave Encashment	12.44	21.93
(v) Gratuity	-	10.00
TOTAL	200.56	231.67
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 EMPLOYEES' BENEFITS EXPENSE		
- Interest on Cash Credit	252.08	0.59
- Others	649.39	12.29
TOTAL	901.47	12.88
Note No 35 DEPRECIATION AND AMORTISATION EXPENSE		
A. DEPRECIATION		
Depreciation for the year	3094.43	2296.05
Less: Depreciation transferred to Mine Development Expenditure	776.93	828.14
Less: Depreciation transferred to Prior Period	-	-
Less: Depreciation transferred to Retained Earning	-	-
SUB TOTAL (A)	2317.50	1467.91
B. AMORTISATION		
Amortisation during the year *	11872.77	10433.40
SUB TOTAL (B)	11872.77	10433.40
TOTAL (A+B)	14190.27	11901.31

* 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 IND AS FINANCIAL STATEMENTS (Contd.)

	(₹ in lac)	
	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Note No 36 GENERAL, ADMINISTRATION AND OTHER EXPENSES		
A. OTHER MANUFACTURING EXPENSES		
- Stores ,Spares& Tools Consumed	9665.78	11149.22
- Consumption of Power, Fuel & Water	20274.19	16972.12
- Royalty, Cess & Decretal amount	10105.64	5988.63
- Contractual Job for Process	6892.81	5159.29
- Handling & Transportation	5625.20	3480.06
- Tolling Charges	1925.55	6373.47
- Expenses for Leasehold Land	95.63	97.27
SUB TOTAL (A)	54584.80	49220.06
B. REPAIRS & MAINTENANCE		
- Building	134.64	107.34
- Machinery	1854.05	1840.29
- Others	508.83	660.27
SUB TOTAL (B)	2497.52	2607.90
C. MAJOR OVERHAUL EXPENSES	-	90.04
D. ADMINISTRATION EXPENSES		
- Insurance	142.22	91.97
- Rent	207.92	122.58
- Rates and Taxes	249.89	867.51
- Security Expenses	539.34	467.10
- Travelling and Conveyance	327.99	454.87
- Telephone, Telex and Postage	125.86	118.12
- Advertisement and Publicity	125.49	266.10
- Printing and Stationery	49.10	51.54
- Books & Periodicals	7.22	6.55
- Consultancy Charges - Indigenous	344.89	227.05
- Loss on Sale of Stores	4.97	5.28
- MTM Debit Foreign Exchange	596.44	-
- MTM Debit/Credit & Hedging Expenses	845.04	-
- Research & Development Expenses	60.46	-
- Corporate Social Responsibility Expenses	370.98	609.81
- Hire Charges	250.21	259.21
- Audit Expenses (Refer detail below at SI 1)	41.03	37.96
- Bank Charges	194.86	131.21
- Other General Expenses	1298.49	851.78
SUB TOTAL (D)	5782.40	4568.64
E. Excise Duty	10681.36	10311.76
Net impact of Excise Duty on Closing Stock	(3.85)	610.77
SUB TOTAL (E)	10677.51	10922.53
F. PROVISIONS (Refer detail below at SI 2)	425.74	618.94
G. PRIOR PERIOD ADJUSTMENTS (NET)		
1 INCOME		
Sale of Products	-	(23.33)
Others	-	-
SUB TOTAL (A)	-	(23.33)
2 EXPENDITURE		
Salaries & Wages	-	(46.60)
Depreciation	-	-
Others	-	(193.46)
Raw Material Consumption	-	-
SUB TOTAL (B)	-	(240.06)
TOTAL(1-2)	-	(216.73)
TOTAL (A+B+C+D+E+F+G)	73967.97	67811.38



NOTES TO IND AS FINANCIAL STATEMENTS (Contd.)

			(₹ in lac)	
	For the year ended 31st March, 2017		For the year ended 31st March, 2016	
Note No 36 GENERAL, ADMINISTRATION AND OTHER EXPENSES (Contd...)				
Explanatory Note: -				
1) Detail of Audit Expenses are as under: -				
i) Statutory Auditors				
As Auditor				
- Statutory Audit Fees	8.35		8.35	
- Tax Audit Fees	0.89	9.24	0.89	9.24
In Other Capacity				
- Other Matters / Services		9.90		9.90
Reimbursement of Expenses		10.35		7.66
ii) Cost Auditors				
- Cost Audit Fees		0.55		0.50
- Reimbursement of Expenses		1.29		0.98
iii) Internal Auditors				
- Audit Fees		1.15		0.95
- Reimbursement of expenses		8.55		8.73
TOTAL		41.03		37.96
2) Detail of Provisions are as under: -				
Doubtful debts		–		417.51
Doubtful advances / deposits		22.53		33.51
Prov. For Obsolete /Non-moving Stores		2.70		–
Prov. For Discrepancy of Stores & Spares		114.38		–
Prov. For Impairment Loss		–		–
Interest on MSMED		281.13		166.42
Provision for Employees old LTC & Medical advance		–		1.50
Provision for Others		5.00		–
TOTAL		425.74		618.94
Note No 37 TAX EXPENSE				
CURRENT TAX				
Income Tax Provision		2609.00		2176.01
Deferred Tax Account		628.96		(1977.16)
TOTAL		3237.96		198.85
Note No 38 TAX EXPENSE				
A(i) Items that will not be reclassified to Profit/Loss				
Acturial gain/loss recognised in the year for employees : Gratuity		(409.57)		591.88
TOTAL (A(i))		(409.57)		591.88
A(ii) Income Tax relating to items that will not be reclassified to Profit & Loss				
TOTAL (A(ii))		–		–
B(i) Items that will be reclassified to Profit/Loss				
Gain / (Loss) on Fair Value of Investment		–		–
TOTAL (B(i))		–		–
B(ii) Income Tax relating to items that will be reclassified to Profit & Loss				
TOTAL (B(ii))		–		–



NOTES FORMING PART OF THE ACCOUNTS (Contd.)

39 GENERAL NOTES ON ACCOUNTS

1. FIRST TIME ADOPTION OF IND AS

This financial statement of the Company for the year ended 31.03.2017 have been prepared in accordance with Ind AS. For the purpose of transition to Ind AS, the Company has followed the guidance prescribed in Ind AS 101 - First time adoption of Indian Accounting Standard with 01.04.2015 as the transition date. The transition to Ind AS has resulted in changes in the presentation of the financial statements, disclosure in notes thereto and accounting policies and principles. The accounting policies set out in Note No. 2 have been applied in preparing this financial statement for the year ended 31.03.2017 and the comparative information. Some exemptions on first time adoption of Ind AS have been availed by the Company in accordance with Ind AS 101.

2. CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

	(₹ in lac)	
	Year 2016-17	Year 2015-16
(i) Contingent Liabilities: -		
a. Claims against the company not acknowledged as debt :		
i. Disputed VAT / CST / Entry Tax	892.57	972.27
ii. Disputed Excise Duty	3833.68	4797.14
iii. Disputed Income Tax	360.67	404.42
iv. Other Demand	33447.86	36484.00
SUB-TOTAL (A)	38534.78	42657.83
b. Other money for which the company is contingently liable :		
i. Claim of reimbursement of VAT by Asset Reconstruction Company (India) Limited (Arcil) on auction price of plant & machinery (movable) pertaining to Gujarat Copper Project (GCP) disputed by the company	—	868.83
ii Interest liability for delayed payment of DMF & NMET for the period 12.01.2015 to 31.08.2016 pertaining to Malanjkhanda Copper Project (MCP)	32.13	—
SUB-TOTAL (B)	32.13	868.83
GRAND TOTAL (A+B)	38566.91	43526.66
(ii) Commitments:-		
Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advance and deposit)	134902.42	139978.14

Details of Claims against the Company not acknowledged as debt (of 2(i)(a) above)

VAT/CST/ENTRY TAX

There are demand notices totaling to Gross Demand of ₹892.57 lac (Previous Year ₹972.27 lac) from various State Revenue Authorities regarding VAT/CST/Entry Tax. The company is contesting the demand and the management as well as the legal advisors/consultants are of the opinion that its contention will likely to be upheld by the Appellate Authorities. The company also believes that ultimate outcome of these proceedings will not have a material adverse impact on the financial position of the company.

EXCISE DUTY

There are demand notices totaling to Gross Demand of ₹3833.68 lac (Previous Year ₹4797.14 lac) from Central Excise Authorities regarding Excise Duty. The company is contesting the demand and the management as well as the legal advisors/consultants are of the opinion that its contention will likely to be upheld by the Appellate Authorities. The company also believes that ultimate outcome of these proceedings will not have a material adverse impact on the financial position of the company.

INCOME TAX

There are Income Tax demand notices totaling to Gross Demand of ₹360.67 lac (Previous Year ₹404.42 lac). The company is contesting the said demands before the Appellate Authorities. The management as well as the income tax consultant are of the opinion that its contention will likely to be upheld by the Appellate Authorities. The company also believes that ultimate outcome of these proceedings will not have a material adverse impact on the financial position of the company.



NOTES FORMING PART OF THE ACCOUNTS (Contd.)

OTHER DEMAND of ₹33447.86 lac (Previous Year ₹36484.00 lac)

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 lac 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 lac towards penalty Terminal Tax as per the order of Hon'ble High Court, Jabalpur, M.P. Subsequently the matter was turned down by the Hon'ble High Court, Jabalpur, M.P. The Company filed writ petition before the Hon'ble Supreme Court of India. The Hon'ble Supreme Court vide its order dated 29.07.2011 directed the Company to deposit an ad-hoc amount of ₹1000.00 lac to Municipal Council, Malanjkhanda which has since been deposited by the company and shown as 'Deposits with Court' and also ordered that the matter may be heard on the ground of merit by the Civil Court, Baihar. Further a demand of ₹18867.56 lac for the periods from 2006-07 to 2011-12 was also raised on the above ground for which the appeal by the company is pending before the Hon'ble Supreme Court. Pending final decision, the full amount of ₹25914.20 lac has been disclosed under 'Contingent Liability'.
- b. The Municipal Council, Malanjkhanda, Madhya Pradesh issued demands on MCP for ₹1253.32 lac on account of Property Tax for several years against which the company filed writ petitions before the Hon'ble Madhya Pradesh High Court, Jabalpur challenging the demand notice. Out of the above demand, a sum of ₹220.85 lac has been paid by the Company based on self assessment from time to time as per interim measure as directed by the Hon'ble Madhya Pradesh High Court, Jabalpur. The net amount of ₹1032.47 lac (₹1253.32 lac - ₹220.85 lac) has been included under 'Contingent Liability'.
- c. The State Deputy Registrar, Khetri, Rajasthan issued demands on KCC for ₹3310.32 lac on account of Property/Land Tax for the years 2006-07 to 2012-13 against which the company filed writ petitions before the Hon'ble Rajasthan High Court, Jaipur challenging the demand notice. Out of the above demand, a sum of ₹1655.16 lac has been paid by the Company as directed by the Hon'ble Rajasthan High Court, Jaipur. The net amount of ₹1655.16 lac (₹3310.32 lac - ₹1655.16 lac) has been included under 'Contingent Liability'.
- d. There was a trade dispute with M/S Bhagawati Gases Ltd (BGL) in connection with an agreement to supply of gaseous oxygen at Khetri Copper Complex. The dispute was referred to Arbitration. The claim of BGL is for an amount of ₹1079.80 lac with a corresponding counter claim of ₹534.62 lac by the company. 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 lac 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 lac has been disclosed under 'Contingent Liability'.
- e. There was a demand from M/S Uttkal Moulders amounting to ₹1662.72 lac regarding interest for delayed payment against supply of grinding media balls at Malanjkhanda Copper Project. The case is pending before the Sole Arbitrator. Pending final decision, the said amount of ₹1662.72 lac has been disclosed under 'Contingent Liability'.
- f. In addition there are number of pending litigation cases against the company claiming demand of ₹1449.81 lac by retired employees, third parties etc. which the company is contesting before different Legal Forums / Courts.

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

3. During the year, the company has made a provision amounting to ₹300.00 lac in terms of DPE guidelines towards Performance Related Pay payable to the executives for F.Y. 2016-17 which is shown under 'Employees' Benefit Expenses'.
4. In the absence of lease agreements with the State Government in respect of certain leasehold lands, the amortization has been made against the adhoc payment made so far. In case of certain freehold lands acquired through nationalization in accordance with Indian Copper Corporation (Acquisition of Undertaking) Act, 1972, title deeds, conveyance deeds etc. are not in the possession of the company.
5. 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.
6. 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 and consequently a total sum of ₹482.97 lac was provided in the accounts in the preceding



NOTES FORMING PART OF THE ACCOUNTS (Contd.)

years for impairment loss in compliance with the guidelines of IND AS 36 on "Impairment of Assets". Total inventory valued ₹527.57 lac after provision of ₹17.79 lac which remained as process material in the above Plant is included in the Inventory of the company. The management is of the opinion that such inventories consisting mainly of metal content are realizable at least at the book value.

7. The title deeds in respect of office flat at SCOPE Complex, Delhi & Jaipur office with total book value of ₹68.06 lac (Previous year ₹73.32 lac) as well as for Freehold and Leasehold Land and Building acquired in respect of Gujarat Copper Project (GCP) with book value of ₹6300.54 lac are yet to be executed (Previous year ₹6037.30 lac).
8. At ICC, Pollution Control Plant under Package I & III amounting to ₹2100.50 lac have not been capitalized for want of completion of trial / guarantee run as per terms of contract. As a matter of prudence, full provision for the same has been made in the accounts to take care of efflux of time over the years.
9. During the previous financial year, in terms of the order of the Hon'ble High Court of Gujarat at Ahmedabad dated 27.01.2015, the company acquired old unit namely M/S Jhagadia Copper Limited (JCL) situated at Jhagadia Industrial Estate, District Bharuch, Gujarat (renamed as Gujarat Copper Project), with installed capacity to manufacture 50,000 tonnes per annum of LME 'A' grade Copper Cathodes by secondary smelting process, through auction process from Asset Reconstruction Company (India) Limited (Arcil) at a consolidated auction price of ₹21000.00 lac comprising of Leasehold Land for ₹3005.00 lac, Building for ₹1838.00 lac and Plant & Machinery for ₹16157.00 lac. The Company after acquisition of the said unit incurred and capitalized a sum of ₹18531.86 lac (net of recoveries) before the start of the commercial production on 01.10.2016 except KALDO furnace which is under major refurbishment till the end of the year.
The unit thus started commercial production on and from 01.10.2016 and all expenses and incomes are treated as revenue account from that date onwards.
10. 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.
11. Like last year, considering the present scenario of MCP mines and to sustain the planned production, management during the year also decided to process the lean ore along with the normal ore produced from the mine. At the end of the year, the value of closing lean ore was ₹5475.00 lac (Previous Year ₹4973.62 lac). The physical verification of lean ore has been conducted by the Malanjkhanda Mining Department.
12. During the year, the company has spent a sum of ₹514.66 lac on account of Corporate Social Responsibility (CSR) expenses out of which ₹370.98 lac is charged to Statement of Profit & Loss and the balance amount of ₹143.68 lac has been utilized out of unspent balance of CSR Fund.

Amount spent during the year on :

<u>Srl. No.</u>	<u>Particulars</u>	<u>In cash</u>	<u>Yet to be paid in cash</u>	<u>Total</u>
(i)	Construction/acquisition of any asset	—	—	—
(ii)	On purposes other than (i) above	₹390.45 lac	₹121.21 lac	₹514.66 lac

13. Information related to Micro, Small and Medium Enterprises Development Act, 2006 is disclosed here under :

a) i) Principal amount remaining unpaid to any supplier at the end of the accounting year	— ₹450.73 lac
ii) Interest due on above	— ₹142.26 lac
b) Amount of interest paid by the buyer in terms of Section 16 of the Act, along with amount of payment made beyond the appointed date during the year	— ₹ NIL
c) Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the due date during the year) but without adding the interest specified under the Act	— ₹ 568.32 lac
d) Amount of interest accrued and remaining unpaid at the end of the financial year	— ₹ 710.58 lac
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



NOTES FORMING PART OF THE ACCOUNTS (Contd.)

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.

14. Consequent to the decision of the Hon'ble Supreme Court vide its order dated 10.11.2016 in favour of the Company in respect of appeal filed, a total amount of ₹12315.10 lac is receivable from M.P. State Electricity Board (now renamed as MPVVNL) on account of excess charge of electricity bills paid in earlier periods. However, on conservative basis, against such excess charge of electricity bills receivable, the Company initially took credit of ₹2822.26 lac from April 2016 to October 2016 in its books. Thereafter the Company has taken a credit of ₹2124.07 lac on the basis of adjustment against bills raised by MPVVNL after October 2016 till 31st March, 2017.
15. During the year the Company has written back old liabilities / provisions amounting to ₹547.39 lac (Previous Year ₹311.24 lac) in the accounts, the details of which are as under :-

Sl. No.	PARTICULARS	₹ in lac	REASONS FOR REVERSAL
1.	Excess provision on account of shortage, non-moving and obsolete Stores & Spares written back in respect of KCC - ₹19.30 lac, TCP - ₹61.07 lac & ICC - ₹73.21 lac	153.58	Consequent to physical verification conducted and on reconciliation with book records during the year, the excess provision at the end of the year has been written back to revenue.
2.	Excess provision for doubtful advances & claims no longer required is written back in KCC	167.89	The relevant amount of advances & claims were recovered from the parties and hence the provision for advances created in earlier years has been written back.
3.	Excess provision for impairment loss, active and discarded assets no longer required is written back in KCC - ₹13.04 lac & HO - ₹1.85 lac	14.89	Sale of assets during the year for which provision already existed has been written back.
4.	Excess liability created for Road Tax during the year in MCP	146.32	The excess liability of Road Tax has been written back after the actual liability for the year has been ascertained.
6.	Excess provision for CST created on sale of Anode Slime during the earlier years in MCP	64.72	The excess provision created for CST on sale of Anode Slime in earlier years has been written back.
TOTAL		547.40	

16. As the life of open pit mine at MCP is limited, the Company, in addition to the open pit mine, has started developing underground mine for its sustainability. Based on the ore estimates from time to time, calculation of ore reserve and re-designing of mine pit is being done based on certain technical parameters and assumptions. At the beginning of the financial year 2015-16, Unamortized Mine Development Expenditure (MDE) of MCP open cast (surface) mine was ₹50086.41 lac. The company used to capitalize the total mining cost under the head MDE and annual amortization amount was used to have been derived by applying the stripping rate with the ore produced at average annual rate/ MT at the end of the year.

From the current financial year, accounting standards - IndAS has become mandatory on the company. It provides that a first-time adopter of Indian Accounting Standards (Ind AS) may apply the Appendix B of Ind AS 16 Stripping Costs in the Production Phase of a Surface Mine from the date of transition to Ind AS i.e. on 01.04.2015. It further provides that at the transition date to Ind ASs, any previously recognized asset balance arising out of the stripping activity undertaken during the production phase ('predecessor stripping asset') shall be reclassified as a part of an existing asset to which the stripping activity related to the extent there remains an identifiable component of the ore body with which the predecessor stripping asset can be associated. Such balances shall be depreciated or amortized over the remaining expected useful life of the identified component of the ore body to which each predecessor stripping asset balance relates. If there is no identifiable component of the ore body to which predecessor stripping asset relates, it shall be recognized in opening retained earnings at the transition date to Ind ASs as per exemption provided in other Ind ASs - Appendix B of First-time adoption of Indian Accounting Standards (IndAS-101).

Keeping in view of Ind AS on the issue of Unamortized Mine Development Expenditure at MCP it is evident



NOTES FORMING PART OF THE ACCOUNTS (Contd.)

from the accounting records as on 01.04.2015 that Unamortized MDE of MCP open cast (surface) mine was ₹ 50086.41 lac with Overburden (OB) quantity of 48493188.79 MT. It is also observed that the opening OB quantity of 48493188.79 MT consists of 45932188.79 MT of OB quantity valuing ₹47441.27 lac and 2561000.00 MT of Lean Ore valuing ₹2645.14. It implies that as against an amount of ₹47441.27 lac pertaining to OB quantity there is no identifiable component of the ore body to which that predecessor stripping asset related.

In the given circumstances and in compliance with the mandatory accounting standards Ind AS coupled with the fact that the company has already initiated development activity for underground mining and the life of the open cast mine is limited to 6-7 years, the Company has written off an amount of ₹47441.27 lac relating to OB quantity against Retained Earnings as on 01.04.2015 in order to give effect to Ind AS.

Accordingly, the stripping rate of open cast (surface) mine has been re-assessed with reference to identifiable component of the ore body.

17. No fraud by the company or any fraud on the company by its officers and employees has been noticed or reported during the current financial year.
18. The Company has closed / suspended many of its mining operations located at various places, Fertilizer Plant at Khetri in different years due to their uneconomic operations. As per requirement of IND AS 105 on "Non-current Assets Held for Sale and Discontinued Operations" the following information for the year are furnished:

(₹ in lac)

(Previous year figures in brackets)

	MSB GROUP OF MINES	RCP	CCP	DCP	Fertilizer Plant
i) Initial disclosure event (Year of closure)	1997 to 2003	2001	2002	1994	2001
ii) Carrying amount of Assets	No separate records maintained	573.28 (607.98)	- (-)	- (-)	No separate records maintained
iii) Liabilities to be settled		137.17 (137.17)	73.04 (73.04)	3.38 (3.38)	
iv) Amount of income	- (-)	- (-)	0.52 (-)	- (-)	
v) Amount of expenses	- (-)	34.70 (34.70)	- (-)	- (-)	
vi) Gain on sale of assets (Included in iv above)	- (-)	- (-)	0.52 (-)	- (-)	

19. Since the company is primarily engaged in the business of manufacture and sale of copper products, the same is considered to be the only primary reportable business segment and accordingly has been reported. As the Company operates predominantly within the geographical limits of India, no secondary segment reporting has been considered as per IND AS 108 "Operating Segments".
20. Sales for the period include FOB value of Export Sales :-

	Year 2016-17		Year 2015-16	
	Qty (MT)	₹ in lac	Qty (MT)	₹ in lac
Anode Slime	23.540	2898.00	28.800	3862.79
Copper Reverts	335.026	907.41	882.926	2319.41
Copper Concentrate (CMT)	6439.712	19372.66	2701.871	7457.60
		<u>23178.07</u>		<u>13639.80</u>



NOTES FORMING PART OF THE ACCOUNTS (Contd.)

21. In terms of IND As 24 on “Related Party Disclosures”:

Particulars	Key Management Personnel	Total Remuneration (₹ in lac)	
		Year ended 2016-17	Year ended 2015-16
A. FUNCTIONAL	DIRECTORS		
Receiving of Services	1. Sri K D Diwan Chairman-cum-Managing Director	54.53	54.70
	2. Sri Anupam Anand Director (Personnel)	40.51	48.79
	3. Sri V V Venugopal Rao Director (Finance)	36.72	39.18
	4. Sri Subhendra Nanda Director (Operations)	–	70.31 (Part of the year)
	5. Sri S K Bhattacharya Director (Mining)	34.36	16.34 (Part of the year)
	6. Sri Santosh Sharma Director (Operations)	34.44	2.35 (Part of the year)
B. OTHER THAN	FUNCTIONAL DIRECTORS		
	7. Sri C.S.Singhi Company Secretary	29.32	29.93

22. In terms of IND AS 33 on “Earning per Share”: (₹ in lac)

	BASIC	DILUTED
Numerator used: Profit After Tax	6193.60 (3773.73)	6193.60 (3773.73)
Denominator used: Weighted average number of Equity Shares of ₹5/- (Previous year ₹5/- each) outstanding during the period.	925218000 (925218000)	925218000 (925218000)
Earning Per Share (₹)	0.670 (0.408)	0.670 (0.408)

23. The Company has accounted for Deferred Tax in accordance with the guidelines of IND AS 12 on "Income Taxes". The Deferred tax balances are set out below:-

DEFERRED TAX ASSET (NET): - (₹in lac)

Particulars	Deferred Tax Asset/ (Liability) as at 01.04.2016	Adjustments	Credit/ Charge) during 2016-17	Deferred Tax Asset/ (Liability) as at 31.03.2017
Deferred Tax Asset :-				
Difference between provision made in accounts and claims made as per I. T Act	10853.72	(2787.12)	417.66	8484.26
	10853.72	(2787.12)	417.66	8484.26
Deferred Tax Liability :-				
Difference between net book value of depreciable capital assets vis-a-vis WDV as per IT Act	(3203.00)	923.71	(1046.62)	(3325.91)
Adjustment for fair value of Investment	–	(5.18)	–	–
	(3203.00)	918.53	(1046.62)	(3325.91)
Deferred Tax Asset (Net)	7650.72	(1868.59)	(628.96)	5158.35



NOTES FORMING PART OF THE ACCOUNTS (Contd.)

24. 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.

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 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.

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 2017, the fair value of the open position of commodity future contracts is insignificant.

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:

(₹ in lac)

Particulars	Total carrying value as at March 31, 2017	Total carrying value as at March 31, 2016	Total carrying value as at April 1, 2015	Fair Value as at March 31, 2017	Fair Value as at March 31, 2016	Fair Value as at April 1, 2015
Financial Assets at FV through Statement of Profit & Loss						
Mutual Funds	0.05	7581.13	7108.24	0.05	7596.11	7108.24
Derivatives not designated as hedges						
Future Contract Receivable on commodity	-	-	-	-	-	-
Total of Financial Assets	0.05	7581.13	7108.24	0.05	7596.11	7108.24
Financial Liabilities						
Derivatives not designated as hedges						
Forward Cover Contract Liability	596.44	-	-	596.44	-	-
Total of Financial Liabilities	596.44	-	-	596.44	-	-

3. The management considers the Service fees of ₹200.00 lac paid on the Exim bank Term loan amounting to ₹20000.00 lac drawn in June 2015 as immaterial, as the amount of service fee is only 0.16% of the Turnover of the company and hence the same has not been 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.

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.



NOTES FORMING PART OF THE ACCOUNTS (Contd.)

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 present fair value hierarchy of assets and liabilities measured at fair value

(₹ in lac)

Particulars	Date of Valuation	Level 1	Level 2	Level 3	Total
Financial Assets at FV through Statement of Profit & Loss					
Non-derivative financial assets Mutual funds	31/03./2017	0.05	–	–	0.05
Derivative financial assets Future Contract Receivable on commodity	31/03./2017	–	–	–	–
Liabilities measured at fair value: Derivative financial liabilities Forward Cover Contract Liability	31/03./2017	–	596.44	–	596.44
Assets measured at FV through OCI	31/03./2017	–	–	–	–

(₹ in lac)

Particulars	Date of Valuation	Level 1	Level 2	Level 3	Total
Financial Assets at FV through Statement of Profit & Loss					
Non-derivative financial assets Mutual funds	31/03./2016	7596.11	–	–	7596.11
Derivative financial assets Future Contract Receivable on commodity	31/03./2016	–	–	–	–
Liabilities measured at fair value: Derivative financial liabilities” Forward Cover Contract Liability	31/03./2016	–	–	–	–
Assets measured at FV through OCI	31/03./2016	–	–	–	–



NOTES FORMING PART OF THE ACCOUNTS (Contd.)

(₹ in lac)

Particulars	Date of Valuation	Level 1	Level 2	Level 3	Total
Financial Assets at FV through Statement of Profit & Loss					
Non-derivative financial assets Mutual funds	31/03./2015	7108.24	–	–	7108.24
Derivative financial assets Future Contract Receivable on commodity	31/03./2015	–	–	–	–
Liabilities measured at fair value: Derivative financial liabilities Forward Cover Contract Liability	31/03./2015	–	–	–	–
Assets measured at FV through OCI	31/03./2015	–	–	–	–

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
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 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.

(As of March 31, 2017)

Particulars	(₹ in lac)
Cash & cash equivalents	–
Trade Payables	–
Loans	40655.65
Others (if any)	–
Net Assets/(Liabilities)	40655.65



NOTES FORMING PART OF THE ACCOUNTS (Contd.)

(As of March, 2016)

Particulars	(₹ in lac)
Cash & cash equivalents	–
Trade Payables	–
Loans	20715.26
Others (if any)	–
Net Assets/(Liabilities)	20715.26

Sensitivity

The sensitivity of profit or loss to changes in exchange rate arises mainly from foreign currency denominated financial instrument. (₹ in lac)

Particulars	Impact on profit before tax	
	March 31, 2017	March 31, 2016
Increase by 5%	(2,064.55)	(999.99)
Decrease by 5 %	2064.55	999.99

ii) Commodity Price Risk

The company's exposure to security 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 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: (₹ in lac)

Particulars	31st March 2017 Gross	31st March 2016 Gross	1st April 2015 Gross
Not past due	–	–	–
Past due more than three months but not more than six months	16473.44	5731.51	8462.37
Past due more than six months but not more than one year	–	1.63	1.90
More than one year	968.59	932.62	579.74
Total	17442.03	6665.76	9044.01
Less Allowances for Bad & Doubtful Debts	934.59	932.62	521.86
Net Debtors	16507.44	5733.14	8522.15

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 ₹ 934.59 lac for which full provision has been made in the accounts as disclosed in Note No 12.



NOTES FORMING PART OF THE ACCOUNTS (Contd.)

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, cash generated from operations.

We manage our liquidity needs by continuously monitoring cash inflows and by maintaining adequate cash and cash equivalents. Net cash requirements are compared to available cash in order to determine any shortfalls.

Short term liquidity requirements consists mainly of sundry creditors, expense payable, employee dues arising during the normal course of business as of each reporting date. We 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 have 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.

As of March 31, 2017

(₹ in lac)

Particulars	On Demand	Less than 3 months	3 months to 1 year	1-3 years	3-5 years	Total
Short term borrowings (cash credit)	6551.38	—	—	—	—	6551.38
Short term borrowings (Others)	—	15284.50	4873.19	—	—	20157.69
Long Term Borrowings	—	—	5124.49	10248.97	5124.49	20497.95
Forex forward Contract	—	576.42	20.02	—	—	596.44
Total	6551.38	15860.92	10017.70	10248.97	5124.49	47803.46

As of March 31, 2016

(₹ in lac)

Particulars	On Demand	Less than 3 months	3 months to 1 year	1-3 years	3-5 years	Total
Short term borrowings (cash credit)	—	—	—	—	—	—
Short term borrowings (Others)	—	—	—	—	—	—
Long Term Borrowings	—	—	—	10357.63	10357.63	20715.26
Forex forward Contract	—	—	—	—	—	—
Total	—	—	—	10357.63	10357.63	20715.26

As of March 31, 2015

(₹ in lac)

Particulars	On Demand	Less than 3 months	3 months to 1 year	1-3 years	3-5 years	Total
Short term borrowings (cash credit)	—	—	—	—	—	—
Short term borrowings (Others)	—	—	—	—	—	—
Long Term Borrowings	—	—	—	—	—	—
Forex forward Contract	—	—	—	—	—	—
Total	—	—	—	—	—	—

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.



NOTES FORMING PART OF THE ACCOUNTS (Contd.)

25. PROVISIONS FOR CONTINGENCIES :-

(₹ in lac)

Particulars	Discarded Fixed Assets	Capital WIP & Advance	Mines Development Expenditure	Others	TOTAL
Carrying amount as at 01.04.2016	750.44	3392.91	4664.86	18462.95	27271.16
Amount provided during the year	-	-	-	10303.98	10303.98
Amounts utilized against provision	7.13	-	-	10069.90	10077.03
Unused amounts released during the year.	-	-	-	-	-
Carrying amount as at 31.03.2017	743.31	3392.91	4664.86	18697.03	27498.11

26. 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 and SBI Life Insurance Co. Ltd. and are managed by separate trust. During the year, the Company has also funded through Life Insurance Corporation of India and SBI Life Insurance Co. Ltd towards leave encashment. Expenses recognized in Statement of Profit & Loss, Other Comprehensive Income and Mine Development Expenditure amounting to ₹5427.45 lac 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 lac)

	Gratuity (Funded plan)	Leave Encashment (Partially funded Plan)	Leave Travel Concession (Non-funded Plan)
(i) Change in Defined Benefit Obligation			
Opening defined benefit obligation	18690.78	10521.12	96.90
Current service cost	1256.97	1388.59	
Interest cost	1318.68	717.76	
Benefits Paid	4414.48	3098.20	168.05
Actuarial gain / (loss)	353.84	2101.91	174.78
Closing defined benefit obligation	17205.79	11631.18	103.63
(ii) Change in Fair Value of Assets			
Opening fair value of plan assets	23522.93	2134.04	
Return on plan assets	1761.88	178.94	
Actuarial gain / (loss)	(55.74)	-	
Contributions by employer	2000.00	3297.81	
Benefits paid	4414.48	3098.20	
Closing fair value of plan assets	22814.59	2512.59	
(iii) Amount recognized in the Balance Sheet			
Opening Net Liability	(4832.15)	8387.08	
Expenses Recognized	1223.35	4029.32	174.78
Contributions	2000.00	3297.81	
Closing Net Liability	(5608.80)	9118.59	174.78
Closing Fund / Provision at end of year	17205.79	11631.18	103.63
(iv) Expenses recognized in the Statement of Profit and Loss Account, Other Comprehensive Income & Mine Development Expenditure			
Current service cost	1256.97	1388.59	
Interest cost	1318.68	717.76	
Return on Plan Asset	1761.88	178.94	
Net actuarial gain / loss recognized in the current year	409.58	2101.91	174.78
Expenses Recognized as on 31.03.2017	1223.35	4029.32	174.78



NOTES FORMING PART OF THE ACCOUNTS (Contd.)

The details of the plan assets as on 31.03.2017 towards gratuity & leave encashment are as follows:
(₹ in lac)

Investment in Life Insurance Corporation of India	7358.29
Investment in SBI Life Insurance Co. Ltd	17966.41
Fund with Gratuity Trust Savings Bank Accounts	2.48
Total	25327.18

Actual Return on Plan Assets during the year - ₹1940.82 lac.

The principal assumptions used for actuarial valuation are :

i) Method used	Projected Unit Credit Method
ii) Discount Rate	8.00%
iii) Rate of Return on Assets	8.35% & 8.40%
iv) Inflation Rate	6.00%

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

27. The physical verification of raw materials, WIP and finished goods have been conducted departmentally at reasonable intervals during the year. In respect of stores and spares, physical verification has been conducted by the external agencies once during the year. Shortages/ (Excesses) identified on such physical verification have been duly adjusted in the books of accounts.
28. The excise duty related to the difference between the closing stock and opening stock is recognized separately in the statement of Profit & Loss as follows:

	As on 31.03.2017	As on 31.03.2016
Excise Duty on Closing Stock	1409.25	1413.10
Less: Excise Duty on Opening Stock	<u>1413.10</u>	<u>802.33</u>
Net Excise Duty	(3.85)	610.77

29. The physical verification of fixed assets which is required to be conducted every year so that all the units/offices are covered once in every three years interval. Physical verification of fixed assets has been conducted by external agencies in ICC, RCP, MCP, Bangalore Sales Office & H.O. during the year. Shortages/(Excesses) identified on such physical verification have been duly adjusted in the books of accounts.
30. Work in process includes stock of concentrate valued ₹Nil lac (Previous Year ₹1.64 lac) lying with third party at the end of the year.
31. During the year, the Company had specified bank notes or other denomination note as defined in the MCA notification G.S.R.308(E) dated March 31,2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December 30, 2016, the denomination wise SBNs and other notes as per the notification is given below :

Particulars	SBNs*	Other denomination	Total
		Notes	
Closing cash in hand as on 08.11.2016	3.98	0.54	4.52
(+) Permitted receipts	0.20	29.11	29.31
(-) Permitted payments	-	3.71	3.71
(-) Amount deposited in banks	4.18	25.42	29.60
Closing cash in hand as on 30.12.2016	-	0.50	0.50

* For the purpose of this clause, the term "Specified Bank Notes" shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016.

32. The previous year's figures have been regrouped / rearranged, wherever necessary.



NOTES FORMING PART OF THE ACCOUNTS (Contd.)

39. GENERAL NOTES ON ACCOUNTS :
Additional information forming part of accounts for year ended March 31, 2017
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 Quantity	Opening Stock Value (₹ in lac)	Closing Quantity	Closing Stock Value (₹ in lac)	Sales Quantity	Sales Value (₹ in lac)	Issued for internal consumption/ Intermediate Products and others	Quantity
Manufacturing Activities												
a : Main products												
1 Wire bar *	MT	39400 (39400)	39400 (39400)	-	-	-	-	-	-	-	-	-
2 Wire rod	MT	60000 (60000)	60000 (60000)	17074 (21252)	434 (307)	1600.42 (1281.07)	691 (434)	2930.22 (1600.42)	16817 (21125)	73520.16 (89594.77)	-	-
3 Cathode including Toll Smelted Cathode	MT	99500 (49500)	68500** (18500)	18602 (23024)	2234 (847)	7443.83 (2849.53)	2116 (2234)	8496.28 (7443.83)	1532 (285)	7155.09 (1187.54)	17188 (21352)	-
b : By products												
1 Gold	KG	264 (264)	698 (698)	-	-	-	-	-	-	-	-	-
2 Silver	KG	4763 (4763)	9868 (9868)	-	-	-	-	-	-	-	-	-
3 Nickel sulphate	MT	250 (250)	390 (390)	-	-	-	-	-	-	-	-	-
4 Selenium	KG	10000 (10000)	14600 (14600)	-	-	-	-	-	-	-	-	-
5 Sulphuric acid	MT	236000 (236000)	236000 (236000)	8389 (10669)	5162 (1119)	290.38 (80.05)	2417 (5162)	116.91 (290.38)	10254 (4888)	281.62 (298.41)	880 (1738)	-

NOTES FORMING PART OF THE ACCOUNTS (Contd.)

39. GENERAL NOTES ON ACCOUNTS : Additional information forming part of accounts for year ended March 31, 2017 39.1 Capacities, production, stocks and sales (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 Quantity	Opening Stock Value (₹ in lac)	Closing Stock Quantity	Closing Stock Value (₹ in lac)	Sales Quantity	Sales Value (₹ in lac)	Issued for internal consumption/ Intermediate Products and others Quantity
c : Allied and semi- Finished products											
1 Anode slime	MT	NA	-	31 (27)	1 (3)	166.52 (490.53)	8 (1)	722.55 (166.52)	24 (29)	2898.00 (3862.79)	-
2 Copper mould	MT	NA	-	-	19 (19)	21.34 (21.34)	19 (19)	21.34 (21.34)	-	-	-
3 Kyanite	MT	NA	-	-	-	-	-	-	-	-	-
4 Others	MT	NA	-	-	-	-	-	-	-	-	-
d : Work in progress											
										37839.19 *****	
										(11950.97)	
GRAND TOTAL						36384.19 (32463.19)		60750.25 (36384.19)		121694.06 (106894.48)	

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.

*****Other Sales value includes	MCP Conc	KCC Conc	Copper Sulphate	Revert	Anode Slime Credit	Llb./ Electorn Cathode	Mag-/Red/ Copper Jam	Slag	Anode Slag	Copper Dust	Copper Ash/ Residue	Others	Total
Current year	9770.23	25568.37	253.41	907.41	-	194.75	186.57	122.76	37.54	10.5	254.13	533.52	37839.19
Previous Year	5383.66	2073.93	352.89	2319.41	1202.98	142.13	144.39	116.01	60.07	49.18	0.00	106.32	11950.97



NOTES FORMING PART OF THE ACCOUNTS (Contd.)

39. GENERAL NOTES ON ACCOUNTS (Contd.)

Additional information forming part of accounts for year ended March 31, 2017

39.2 Raw materials consumed

	Quantity		Value	
	Year ended 2016-2017 MT	Year ended 2015-16 MT	Year ended 2016-2017 ₹ in Lac	Year ended 2015-16 ₹ in Lac
Concentrate own production	78481	106152	39851.08	50195.67
Concentrate excluding own production	—	—	—	—
Cathode	—	—	—	—

39.3 Imported and indigenous raw materials, stores spare parts and components consumed (as certified by the management)

RAW MATERIALS:	%	%		
Imported	75	—	21966.13	—
Indigenous	25	100	7393.03	4448.07
	100.00	100.00	29359.16	4448.07

STORES & SPARES:

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

Imported	0.30	1.16	59.20	262.97
Indigenous	99.70	98.84	20007.39	22471.34
	100.00	100.00	20066.59	22734.31

39.4 C.I.F. value of imports

Raw Material	28966.77	—
Components, spare parts and stores	41.23	151.74
Capital goods	910.59	—
	29918.59	151.74

39.5 Expenditure in foreign currency

Travelling	19.53	41.94
Advertisement	—	—
Others	29981.72	856.22
	30001.25	898.16

39. GENERAL NOTES ON ACCOUNTS

Additional information forming part of accounts for year ended March 31, 2017 (Contd.)

39.6 Earning in foreign Exchange

Export of Goods (FOB)	23178.07	13639.80
	23178.07	13639.80

39.7 Payment to Whole Time Directors

Salaries and allowances	173.79	188.40
Company's contribution to provident and other funds	13.19	11.11
Re-imbursement of Medical expenses	1.14	0.23
Leave Encashment	12.44	21.93
Gratuity	—	10.00
	200.56	231.67

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



HINDUSTAN COPPER LIMITED

(CIN: L27201WB1967GOI028825)

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

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

Website: www.hindustancopper.com

Proxy Form

Name of the member (s):.....

Registered Address:.....

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

Folio No. / DP ID Client ID:.....

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

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

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 50th Annual General Meeting of the Company, to be held on Tuesday, 22nd August, 2017 at 10:30 a.m. at 'Tamra Bhavan', 1, Ashutosh Chowdhury Avenue, Kolkata - 700 019 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.

- | | | | |
|--------|--------|--------|--------|
| 1..... | 2..... | 3..... | 4..... |
| 5..... | 6..... | 7..... | 8..... |
| 9..... | | | |

Signed this..... day of 2017.

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

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

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



देश का ताम्र खनिक

The Copper Miner to the Nation

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

CIN : L27201WB1967GOI028825

Website : www.hindustancopper.com

E-mail : investors_cs@hindustancopper.com

Contact No. : (033) 2283 2226

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