MEMORANDUM OF UNDERSTANDING

BETWEEN

HINDUSTAN COPPER LIMITED

AND

MINISTRY OF MINES

FOR

2013-2014

MEMORANDUM OF UNDERSTANDING (MOU)

BETWEEN

HINDUSTAN COPPER LIMITED

AND

MINISTRY OF MINES

FOR

2013-2014

The MOU has been structured in the following parts:

Part I: MISSION AND OBJECTIVES

Part II: EXERCISE OF ENHANCED AUTONOMY AND DELEGATION OF FINANCIAL POWERS

Part III: PERFORMANCE EVALUATION PARAMETERS AND TARGETS

Part IV: COMMITMENTS/ASSISTANCE FROM THE GOVERNMENT

Part V: ACTION PLAN FOR IMPLEMENTATION AND MONITORING OF THE MOU

PART – I

MISSION AND OBJECTIVES

1.1 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.

1.2 MISSION:

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

PART – II

EXERCISE OF ENHANCED AUTONOMY AND DELEGATION OF FINANCIAL POWERS

Pursuant to the award of 'Miniratna, Category 1' status to HCL, the Board of HCL has been provided with enhanced power as per the scheme applicable to 'Miniratna, Category 1' PSU.

PART – III

PERFORMANCE EVALUATION PARAMETERS AND TARGETS

**MoU Assessment Format for Industrial CPSEs –
Manufacturing and Mining CPSEs**

Details are enclosed at Annexure II as per format

PART IV: COMMITMENTS/ASSISTANCE FROM THE GOVERNMENT

- Assistance of Ministry for getting speedy environment and forest clearance for Renewal of Mining Lease of various mines of the Company.

- Reserving the areas (not notified yet by the State Govt. in Madhya Pradesh, Rajasthan & Haryana) for HCL for ML/PL/RP for which applications have been submitted to MOM, New Delhi.

PART V: ACTION PLAN FOR IMPLEMENTATION AND MONITORING OF THE MOU

HCL undertakes to submit the quarterly reports on the various performance areas regularly. Board/Committee of Directors of the Company will review the progress of the MoU every quarter.

To ensure that MoU system is properly monitored in the DPE, the following activities would be taken into consideration in MoU for the year 2013-14:

I) Timely signing of MoU for the year 2013-14 within the target date of. 25th March 2013.

II) Timely submission of Performance Evaluation Report (Composite Score) for the year 2012-13 on the basis of Audited data along with the Audited Accounts, Balance Sheet and Profit and Loss Account for the year 2012-13 to DPE after approval of the Board of HCL and through the administrative Ministry within the target date of 31st August, 2013.

III) Posting of the Audited Accounts for the year 2012-13 in the Company's website and submission of Annual Report of 2012-13 by 31st August, 2013 to enable the timely preparation of PE Survey 2012-13.

25/3/2013

(K.D.Diwan)
Chairman-cum-Managing Director
HINDUSTAN COPPER LIMITED

(R.H.Khwaja)
Secretary
MINISTRY OF MINES

Annexure- II

MoU Assessment Format for Industrial CPSEs - Manufacturing and Mining CPSEs

The performance indicators for 2013-2014 targets, and relative weights for each of the indicators for evaluation of the Company's performance during 2013-2014are indicated below:

MoU Assessment Format for Industrial CPSEs-Manufacturing and Mining CPSEs								
Evaluation Criteria			**MoU Target**					**Documentary evidence and source / origin of document**
1. Static/Financial Parameters	**Unit**	Weight (in %)	Excellent (1)	V. Good (2)	Good (3)	Fair (4)	Poor (5)	
a) Financial indicators- Profit related ratios								
i) Gross margin/Gross block	%	**2**	70.65	67.29	63.93	60.73	57.69	Audited Accounts /Annual Report
ii)Net profit/Net worth	%	**10**	23.55	22.43	21.31	20.24	19.23	
iii)Gross profit/Capital employed	%	**10**	90.43	86.13	81.82	77.73	73.84	
b) Financial indicators- Size related								
i) Gross margin	Rs. Cr.	**8**	597.80	569.37	540.94	513.86	488.14	Audited Accounts /Annual Report
ii) Gross sales	Rs. Cr.	**4**	1733.62	1651.06	1568.51	1490.09	1415.58	
c) Financial returns- Productivity related								
i) PBDIT / Total Employment	%	**7**	10.71	10.20	9.69	9.21	8.75	Audited Accounts /Annual Report
ii) Added value/Sales	%	**9**	33.22	31.64	30.06	28.56	27.13	
Sub-total 1 (a + b + c)		**50 (Compulsory)**						

Assumptions: a) LME Price of Copper – 7,400 US$; b) Exchange Rate - Rs 52 /US$; c) At the time of performance evaluation, if the actual sales value is at a variation (+/-) of 10%, then the evaluation will be done based on the MoU assumption price.

2. Dynamic Parameters	Unit	Weight (in %)	Excellent (1)	V. Good (2)	Good (3)	Fair (4)	Poor (5)	Documentary evidence and source / origin of documents
d) Quality *i) Implementation of* ISO 9001:2008 Quality Management system at HCL Corporate office	Month	**1.0**	Jan.'14	Feb.'14	Mar.'14	-	Beyond Mar'14	Independent Expert/Research Advisory Committee
ii) Acceptance % of CCR of TCP	%	**0.5**	99	98	96	94	92	
e) Customer Satisfaction (To achieve complaint free quality standard)	%	**1.0**	100	99	96	93	90	
f) Human Resource Management-HRM		**5 (Compulsory)**	HRM Performance Target Setting cum Evaluation Template is given as per DPE format in **Annexure-XII**					
g) R&D		**5 (Compulsory)**	R&D Performance Target Setting cum Evaluation Template is given as per DPE format in **Annexure—XI**					
h) Project Implementation (modernisation & expansion)								
Development of Malanjkhand UG Mine: - Commencement of Shaft Sinking	Month	**2.0**	Feb.'14	Mar.'14	-	-	Beyond Mar'14	Independent Expert/Research Advisory Committee
KhetriMine Expansion: - Commissioning of waste rock hoisting system	Month	**2.0**	Feb.'14	Mar.'14	-	-	Beyond Mar'14	
KolihanMine Expansion: - Obtaining environment and Forest Clearance from MoEF	Month	**2.0**	Jan.'14	Feb.'14	Mar'14	-	Beyond Mar'14	
Development of Chapri-Sidheswar Mine: - Obtaining environment and Forest Clearance from MoEF	Month	**2.0**	Jan'14	Feb'14	Mar'14	-	Beyond Mar'14	

Development of Banwas Mine: - Development of decline from 180 mRL to 120 mRL	Month	**2.0**	Feb.'14	Mar.'14	-	-	Beyond Mar'14	Independent Expert/Research Advisory Committee
i) Corporate Social Responsibility (CSR) & Sustainability		**8.0**	Template For CSR and Sustainability is given as per DPE guidelines at **Annexure – X along with Table 1 & 2**					
j) Capital Expenditure/Greenfield Investments/ Mine Development & Expansion	Rs. Cr.	**2.0**	688.37	619.53	588.55	559.12	531.17	Independent Expert/Research Advisory Committee

3. Sector-specific Parameters	Unit	Weight (in %)	Excellent (1)	V. Good (2)	Good (3)	Fair (4)	Poor (5)	Documentary evidence and source / origin of documents
i) Metal in Concentrate	T	**4.0**	36910	35200	33260	31345	29455	Annual Report
ii) Cathode - ICC	T	**4.0**	17500	16500	15500	14500	13500	Annual Report
iii) CC Wire Rod	T	**2.0**	31600	30100	28600	27000	25600	Annual Report

* Proposed target for Cathode production in 2013-14 has been fixed for only ICC considering planned shutdown for 2 months). KCC smelter shall continue to remain under shutdown in 2013-14due to economic reasons, and the surplus in-house MIC shall be either tolled or sold, depending upon which option is more advantageous to the Company.

4. Enterprise – Specific Parameter	Unit	Weight (%)	Excellent	V. Good	Good	Fair	Poor	Documentary evidence and source/origin of documents
i) Power consumption ore to MIC at MCP	KWH/T	**1.0**	18	19	20	21	22	Independent Expert/ Research Advisory Committee
ii)Primary Explosive consumption at Khetri mine	T/Kg	**1.0**	2.35	2.30	2.25	2.20	2.15	
iii) Primary Explosive consumption at Kolihan mine	T/kg	**1.0**	2.75	2.70	2.65	2.60	2.55	
iv) Power consumption at ICC Smelter	KWH/T	**1.0**	930	980	1030	1080	1130	
v) Power consumption at ICC Refinery	KWH/T	**1.0**	300	310	320	330	340	
vi) Recovery at MCP Concentrator	%	**0.75**	92.50	92.00	91.50	91.00	90.50	
vii) Recovery at KCC Concentrator	%	**0.75**	90.00	89.00	88.50	88.00	87.50	
viii) Water consumption per ton of milling at MCP	Cubic m/T	**1.0**	2.40	2.50	2.60	2.70	2.80	

Footnote:

(i) Non-compliance of Corporate Governance will be penalized by way of negative marking and the MoU Score will be increased in accordance with DPE OM 18(8)/2005-GM dated 22.06.2011. If a CPSE fails to submit the Self Evaluation Report in the prescribed format, the grading will be treated as "Poor" and Score will be inflated accordingly.

(ii) CPSEs have to give a Certificate regarding Implementation of Guidelines issued by DPE as per OM No. DPE/14(38)/10-Fin dated 28.06.2011 and also a Certificate from their Auditors/Chartered Accountant in Practice. Non-compliance of DPE guidelines determined on the basis of certificate submitted will be penalized up to 1 mark at the discretion of Task Force at the time of MoU Evaluation. In other words, the MoU Ratings can be increased by 0.04.

								Annexure - X
Sl. No.	**Dynamic Parameters for CSR & Sustainability for FY 2013-14**	**Unit**	**Weight (in %)**	**Excellent 1**	**V. Good 2**	**Good 3**	**Fair 4**	**Poor 5**
1i)	The degree of involvement of the employees and the top management in internalizing the CSR and Sustainability agenda within the organization.							
	a) The number of seminars/ workshops/ training sessions organized to sensitize the employees and changing their mind set / orientation.	Number	0.5	3	2	1	-	-
	b) The total number of employees covered through such initiatives, indicating also their levels / grades.	Number	0.5	50	45	40	35	30
1ii)	Impact of such involvement on products / services / processes and reduction in carbon foot-print. - The company would have to provide a list of such products / services / process which are produced or introduced during the year as a result of internalizing the CSR & Sustainability agenda.							
	a) Covering of top soil and plantation at MCP waste rock dump	No. of Saplings	1	10,000	9,000	8,000	7,000	6,000
	b) Installation of Solar Street Light (MCP & ICC)	Number	1	30	25	20	15	10
2	The efforts made and the success achieved in the engagement of key stakeholders through adoption of a good corporate communication strategy.							
	a) The formulation of a corporate communication strategy.	Month	0.5	Jul. 2013	Aug. 2013	Sep. 2013	Oct,2013	Nov, 2013
	b) The number of meetings / consultations held with key stakeholders.	Number	0.5	4	3	2	1	-
3	The adoption of sustainability reporting and disclosure procedures and practices. - This would be determined by the publication of annual reports on CSR and Sustainability and frequently updated display of information in this regard on the company's website.							
	- Publication of annual reports on CSR and Sustainability		0.5	Yes				No
	- Quarterly updating of information on Company's website		0.5	Yes				No

Annexure – X contd.

Sl. No.	Dynamic Parameters for CSR & Sustainability for FY 2013-14	Unit	Weight	Excellent	V. Good	Good	Fair	Poor
			(in %)	1	2	3	4	5
4	The degree of success in implementing the CSR and Sustainability projects they undertake during the year.	Details of selected Projects given in Table:1						
	Projects: i) Rain water harvesting (2 structures) ii) Imparting Vocational Training iii) Hand gloves making/Handloom & Weaving/Indigenous Products (3 Units) iv) Pisciculture/SRI (3 Units)	Villages Beneficiarie s SHGs SHGs	0.5 0.5 0.5 0.5	2 75 3 3	1 70 2 2	- 65 1 1	- 60 - -	- 55 - -
5	The expenditure incurred on CSR and Sustainability activities (vis-a-vis the annual budgetary allocation). In this the total budgetary allocation for CSR and Sustainability activities / projects would have to be shown along with the total expenditure incurred on the projects / activities planned for that year.	Allocation: % of PAT for FY12-13	0.5	2.2	2	1.8	1.6	1.4
6	The effectiveness of the two-tier organizational structure in the process of planning, implementing and monitoring the CSR activities. - The frequency of meetings held by the Board level committee and by the Group of officers headed by the nodal officer.	Number/ Quarter	0.5	3	2	1	-	-
	Total		**8**					

TEMPLATES FOR CSR AND SUSTAINABILITY REVIEW
TABLE 1

The degree of success in implementing the CSR and Sustainability projects undertaken during the year.

Weightage	0.5	0.5	0.5	0.5
Project Description	Rain water harvesting (2 village at ICC and KCC)	Vocational Training (at MCP and KCC)	Hand gloves making/Handloom & Weaving (at MCP and ICC)	Pisciculture/SRI (at ICC)
Date of start of the project	April, 2013	April, 2013	April, 2013	April, 2013
Annual targets planned for the year	2 villages at ICC, Ghatsila and KCC, Khetri	75 beneficiaries	3 SHGs	3 SHGs
Budgetary allocation for the planned annual targets	Being finalized.			
Name of the agency for baseline survey / need assessment	(National Institute of Rural Development) NIRD			
Name of the agency for implementation of the activity / project.	Being finalized in consultation with NIRD.			
Name of the agency selected for monitoring activity / project.	Will be appointed after Approval of Board.			
The involvement of the CPSE in any or all these activities to be specified.	Yes	Yes	Yes	Yes
Date of completion of the activities / projects planned for that year.	March, 2014	March, 2014	March, 2014	March, 2014
The name of the agency engaged for evaluation of the completed project / activity during the year	Will be appointed after Approval of Board.			
Report of the evaluating agency	Yes. Shall be provided.			
The social impact assessment report, if any, in cases of activities / projects completed during the year	Third Party assessment of the CSR activities shall be facilitated by the Company.			

TABLE 2 **Details of CSR Expenditure**		
Sl. No	**Item**	**Amount in Crores or Percentage**
1	**2**	**3**
1	Provisional PAT for the year 2012-13	169.40 Cr. Rupees
2	CSR expenditure	3.4 to 5.0 Cr. Rupees
3	CSR expenditure as percentage of PAT	2-3%
4	Training expenditure on CSR (to be treated as CSR expenditure)	25-30% of total CSR allocation
5	Unspent Balance amount of CSR Budget rolled over to the following year	(to be calculated on 31st March, 2013)
6	Contribution to CSR HUB as percentage of CSR Budget	(to be calculated on 31st March, 2013)

Annexure-XI

R&D Performance Target Setting cum Evaluation Template

Table 1 – Mandatory Parameter – Total R&D Expenditure as a percentage of PAT									
		Unit	Weightage	Performance Target					Achievement
				Excellent	V. Good	Good	Fair	Poor	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1	Total R&D * Expenditure as % of PAT	%	**2.5**	0.52	0.50	0.48	0.46	0.44	

* 0.5% of Provisional PAT of FY 2012-13 i.e 0.5% of Rs.169.40crore

Total Score for this Table	**2.5**

Score allotted by the Task Force	

Table 2 – Projects Chosen

				Target Value					
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Sl. No.	Projects Chosen	Performance Indicator	Weightage	**Excellent**	**V. Good**	**Good**	**Fair**	**Poor**	Actual
2.1	Engagement of consultant for Improvement of process recovery of ore beneficiation plant through comprehensive testing of mineralogy & preparation of flow sheet by world renowned specialist at MCP, KCC & ICC (Appointment of consultant)	Month	**1**	**Feb'14**	**Mar'14**	-	-	**Beyond Mar'14**	
2.2	Engagement of Consultant for Rock Mechanics Study and numerical modelling of MCP deposit (Appointment of consultant)	Month	**1**	**Oct'13**	**Nov'13**	**Dec'13**	**Jan'14**	**Feb'14**	
2.3	Engagement of consultant for Pilot Study & submission of DPR for:	Month	**0.5**						
	a) Utilisation of Copper tails in Cement manufacture.			**Jan'14**	**Feb'14**	**Mar'14**	-	**Beyond Mar'14**	
	b) Utilisation of Copper Granulated Slag in Cement manufacture			**Jan'14**	**Feb'14**	**Mar'14**	-	**Beyond Mar'14**	

Total Score for this Table	**2.5**
Score allotted by the Task Force	
Total Score on R&D	**5**
Total allotted Score for both Tables	

ANNEXURE - XII

Templates for HRM Evaluation under MoU 2013-14

Sl. No	HRM Performance Indicators	Measurement Unit	Weight	Target value					Actual Performance	Self Evaluation Score
				Excellent	V Good	Good	Fair	Poor		
1	% of actualisation of training Plan & Training days per employee per year	% Fulfilment & days per employee per year	1	(2 training days per employee per year (8200 man days)	(2 training days per employee per year (8000 man days)	(2 training days per employee per year (7900 man days)	(2 training days per employee per year (7500 man days)	(2 training days per employee per year (7320 man days)		
2	Formal Risk Management training courses to Senior Management Personnel	No. of Sr. Personnel	1	25	20	15	10	-		
3	% of Quality Circle projects completed against total Quality circle projects undertaken in a year	% Fulfilment	1	40%	30%	25%	20%	15%		
4	Pension, Medicare, Yoga classes to reduce stress where the job is stressful	No. of programs & date of implementation of scheme	1	Initiatives/Scheme 4(four) Yoga classes 4 (four) programmes on pension awareness						
5	Employee satisfaction survey – ESI measure in %	%	1	70%	65 %	60%	55%	50%		

Annexure - VIII

TREND OF CPSE's PERFORMANCE ON FINANCIAL PARAMETERS FOR THE LAST FIVE YEARS

Rs. Crore

Particulars	2008-09		2009-10		2010-11		2011-12		2012-13		2013-14
	MOU	ACTUAL	MOU	ACTUAL	MOU	ACTUAL	MOU	ACTUAL	MOU	Projected as on 31.03.2013	Projected
Production											
Excavation Lakh M3	35.00	36.00	78.00	38.61	55.00	45.54	55.00	40.56	54.00	42.00	54.00
Ore Production Lakh MT	34.50	29.83	36.00	32.05	34.96	36.03	36.00	34.79	40.00	35.00	39.00
Metal-In-Concentrate MT	34400	27589	35000	28202	34470	31683	35000	31377	35000	30000	35200
Cathode Copper MT	45000	30036	18500	17516	17500	24001	29414	28358	29500	24205	33792
Gross Sales	1491.00	1349.10	1245.27	1429.85	1050.00	1281.28	1320.00	1638.18	1540.50	1399.11	1651.06
Gross Margin	275.00	74.60	38.97	298.30	290.00	436.02	410.00	617.48	475.43	444.26	569.37
Profit before Tax	234.81	5.48	11.66	215.84	269.36	335.21	319.58	472.92	332.49	296.13	404.17
Gross Block	777.87	731.36	747.70	760.35	818.81	770.01	782.49	788.14	831.01	826.14	846.14
Less: Depreciation	546.13	521.66	517.01	540.72	539.81	556.84	539.22	578.97	604.43	601.17	625.75
Net Block	231.74	209.70	230.69	219.63	279.00	213.17	243.27	209.17	226.58	224.97	220.39
Share Capital	462.61	462.61	462.61	462.61	462.61	462.61	462.61	462.61	462.61	462.61	462.61
Reserves & Surplus	399.28	505.29	181.22	659.97	538.58	776.36	829.63	992.26	1102.00	1109.91	1218.20
Less : Deferred Revenue Expenditure	0.00	366.70	0.00	404.00	0.00	458.94	449.78	478.64	482.26	479.69	463.58
Less: Profit & Loss A/C	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net worth of CPSE	861.89	601.20	643.83	718.58	1001.19	780.03	842.46	976.23	1082.34	1092.83	1217.23
Investment	0.00	0.00	0.00	71.91	0.00	86.48	120.43	170.16	86.48	250.16	0.00
Sundry Debtors/Gross Sales(%)	2.68%	11.86%	1.58%	9.93%	12.50%	5.09%	9.57%	7.43%	4.82%	6.91%	5.56%
Inventory	364.13	259.95	171.86	260.03	368.97	322.66	288.20	320.64	173.87	345.00	381.93
Total Current Assets	1142.49	951.06	491.12	806.53	1089.56	818.25	793.34	972.65	1135.49	964.62	951.47
Total Current Liabilities & provision	560.74	589.91	376.40	441.52	553.34	391.97	372.75	450.57	661.27	581.73	702.58
Net Current Assets	581.75	361.15	114.72	365.01	536.22	426.28	420.59	522.08	474.23	382.89	248.89
Capital Employed	813.49	570.85	345.41	584.64	815.22	639.45	660.86	731.25	700.80	607.86	469.28
Total Debts	75.01	36.03	45.50	0.05	7.50	0.00	0.00	0.00	0.00	0.00	0.00
Total Assets	1374.23	1160.76	721.81	1026.16	1368.56	1031.42	1036.61	1181.82	1362.07	1189.59	1171.86
No of employees of CPSE	5420	5440	5460	5300	5150	5100	4685	4810	4490	4538	4150
Dividend paid	0.00	0.00	0.00	0.00	0.00	92.52	92.52	92.52	92.52	92.52	92.52
Added Value	578.25	17.51	376.53	239.84	208.48	372.07	343.62	544.36	405.35	383.47	522.44
Ratio											
Debt/Equity	0.09	0.06	0.07	0.00	0.01	0.00	0.00	0.00	0.00	0.00	0.00
Return on Networth(%age)	17.98%	-1.71%	1.20%	21.53%	17.76%	28.73%	25.34%	33.13%	20.75%	20.61%	22.43%
PBDIT/Total employment (Rs)	5.02	0.57	0.68	4.48	5.60	7.03	7.21	10.21	7.81	6.92	10.20
Gross Profit/Capital Employed(%age)	30.98%	0.15%	4.91%	37.16%	33.27%	52.97%	48.14%	64.74%	47.44%	49.13%	86.13%
Net Profit/Net Worth(%age)	17.98%	-1.71%	1.20%	21.53%	17.76%	28.73%	25.34%	33.13%	20.75%	20.61%	22.43%
Working of gross margin											
Net Profit	155.00	(10.31)	7.70	154.68	177.80	224.10	213.45	323.44	224.61	225.18	273.05
Tax	79.81	15.79	3.96	61.16	91.56	111.11	106.13	149.48	107.88	70.95	131.12
Net Profit Before Tax	234.81	5.48	11.66	215.84	269.36	335.21	319.58	472.92	332.49	296.13	404.17
Add: Prior Period	0.00	(11.42)	0.00	(2.07)	0.00	1.12	0.00	(0.03)	0.00	0.00	0.00
Add: Extra ordinary items	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.39	0.00
Profit before prior period	234.81	(5.94)	11.66	213.77	269.36	336.33	319.58	472.89	332.49	297.52	404.17
Add: Interest	17.18	6.82	5.30	3.49	1.86	2.42	0.00	0.53	0.00	1.09	0.00
Gross Profit	251.98	0.88	16.96	217.26	271.21	338.75	319.58	473.42	332.49	298.62	404.17
Add : Depreciation	20.32	18.82	20.32	17.89	17.10	20.84	18.38	17.77	18.18	16.70	19.08
Add: Misc. Expenditure written off	0.00	54.90	0.00	63.15	0.00	76.43	72.04	126.29	124.76	128.95	146.12
Add: Provisions & Write Offs	2.69	0.00	1.69	0.00	1.69	0.00	0.00	0.00	0.00	0.00	0.00
Gross Margin before Interest, depreciation & misc expenditure written off	275.00	74.60	38.97	298.30	290.00	436.02	410.00	617.48	475.43	444.26	569.37

हिन्दुस्तान कॉपर लिमिटेड
HINDUSTAN COPPER LIMITED
भारत सरकार का उपक्रम
A GOVT. OF INDIA ENTERPRISE

पंजीकृत एवं प्रधान कार्यालय
Registered & Head Office
ताम्र भवन TAMRA BHAVAN
1, आशुतोष चौधरी एवेन्यू
1, ASHUTOSH CHOWDHURY AVENUE,
पो०बॉ०सं० P.B. NO. 10224
कोलकाता KOLKATA - 700 019

Appendix – IX

Self declaration/Certification by CPSE

It is hereby certified that the targets and actual achievements in respect of financial parameters have been worked out as per MoU Guidelines by adopting the norms and definitions laid down in MoU Guidelines for the year 2013-14. In case, any deviation is found at the time of appraisal of performance, DPE is free to evaluate as per audited accounts as per MoU Guidelines. CPSE has no right of claim in this regard.

Authorised Signatory

(A.K. Dasgupta)
Executive Director (Corporate Planning)

Appendix – I

CAPACITIES AND 2013-14 BE TARGETS

Parameter	Capacity	2013-14 MOU (Very Good)
Ore Production (MT)		
Khetri Mine	6.0 Lakh/annum	6.0 Lakh/annum
Kolihan Mine	6.0 Lakh/annum	6.0 Lakh/annum
Malanjkhand Mine	20.0 Lakh/annum	24.00 Lakh/annum
Surda Mine	4.0 lakh/annum	4.0 Lakh/annum
Total	36.00 lakh/annum	40.00 Lakh/annum
Ore Milling (MT)		
KCC	18.15 Lakh/annum	12.00 Lakh/annum
MCP	20.00 Lakh/annum	24.00 lakh/annum
ICC	4.00 Lakh/annum	4.00 Lakh/annum
Total	42.15 Lakh/annum	40.00 Lakh/annum
Metal in Concentrate (MT)		
KCC	Not applicable	10200 /annum
MCP	Not applicable	21000 /annum
ICC	Not applicable	4000 /annum
Total	Not applicable	35200 /annum
Cathode (MT)		
KCC	31,000/annum	Nil*
ICC	18,500/annum	16500/annum
Total	49,500/annum	16500/annum
Wire Rod (MT)		
TCP	60,000/annum	30100/annum

Running both the smelters of HCL at KCC and ICC at present LME Copper price and present treatment and refining charges (TCRC) would not be viable with importation of concentrate. HCL has made the business model of operating ICC smelter at full capacity and temporary shutdown of KCC smelter and sale/tolling of surplus concentrate after meeting the requirements of ICC.

HINDUSTAN COPPER LIMITED
PROFITABILITY FOR COMPANY FOR 2013-14 (MOU)

RS IN CRORE

					MOU 2013-14				
			BE 2013-14	BE 2012-13	EXCELLENT	VERY GOOD	GOOD	FAIR	POOR
INCOME									
Gross Sales			1556.82	1423.68	1733.62	1651.06	1568.51	1490.09	1415.58
Discounts			9.03	4.12	9.54	9.09	8.64	8.22	7.80
Less: Excise Duty			145.38	128.68	181.84	173.25	164.67	156.60	148.62
Net Sales			1402.41	1290.88	1542.24	1468.72	1395.20	1325.26	1259.17
Other Income			84.87	52.67	62.07	62.07	62.07	62.07	62.07
Increase/(Decrease) in Stock			72.14	(84.58)	4.46	(1.30)	(8.41)	(17.65)	(26.44)
Total			1559.43	1258.97	1608.77	1529.49	1448.86	1369.69	1294.80
EXPENDITURE									
Raw Material (Indigenous)			65.02	53.90	68.27	65.02	61.28	57.55	53.81
Stores & Spares			116.81	75.79	122.17	117.54	112.35	107.25	102.23
Staff Expenses			352.40	308.14	352.40	352.40	352.40	352.40	352.40
Power			109.59	101.28	114.13	110.22	105.85	101.55	97.33
Fuel			57.60	45.36	60.49	57.62	54.13	50.65	47.17
Oxygen			9.79	10.34	10.24	9.79	9.25	8.71	8.16
Repairs & Maintenance			44.53	74.44	44.53	44.53	44.53	44.53	44.53
Royalty & Cess			63.39	49.36	65.96	62.90	59.44	56.02	52.64
Transportation			27.40	26.41	28.42	27.46	25.99	24.54	23.07
Other expenses			98.72	127.35	131.04	99.32	69.38	39.32	12.00
Provisions & Write Offs			13.32	11.92	13.32	13.32	13.32	13.32	13.32
Total			958.57	884.29	1010.97	960.12	907.92	855.82	806.66
Gross Margin			**600.85**	**374.68**	**597.80**	**569.37**	**540.94**	**513.86**	**488.14**
Amortisation			145.93	116.64	147.59	146.12	144.15	141.80	138.88
Depreciation			19.08	17.61	19.08	19.08	19.08	19.08	19.08
Gross Profit/(loss)			**435.84**	**240.44**	**431.14**	**404.17**	**377.71**	**352.98**	**330.18**
Interest									
Interest on c/c & Others			0.00	0.00	0.00	0.00	0.00	0.00	0.00
Profit Before Prior Period & Extraordinary items			**435.84**	**240.44**	**431.14**	**404.17**	**377.71**	**352.98**	**330.18**
Less: Prior Period Adjustments			0.00	0.00	0.00	0.00	0.00	0.00	0.00
Less: Extraordinary Items			0.00	0.00	0.00	0.00	0.00	0.00	0.00
Profit/(Loss) Before Tax(PBT)			**435.84**	**240.44**	**431.14**	**404.17**	**377.71**	**352.98**	**330.18**
Less: Tax			**141.41**	**78.01**	**139.86**	**131.12**	**122.55**	**114.52**	**107.12**
Profit/(Loss) After Tax(PAT)			**294.43**	**162.43**	**291.28**	**273.05**	**255.17**	**238.46**	**223.06**
Less: Dividend @ 20%			**107.53**	**107.72**	**107.53**	**107.53**	**107.53**	**107.53**	**107.53**
Profit/(Loss) After Tax & Dividend			**186.90**	**54.71**	**183.74**	**165.52**	**147.64**	**130.93**	**115.53**
Manpower in Operation		Number	**3994**	**4335**	**3994**	**3994**	**3994**	**3994**	**3994**
HO & Sales Offices		Number	**156**	**155**	**156**	**156**	**156**	**156**	**156**
TOTAL		Number	**4150**	**4490**	**4150**	**4150**	**4150**	**4150**	**4150**

MAJOR ASSUMPTIONS

			BE 2013-14	BE 2012-13	EXCELLENT	VERY GOOD	GOOD	FAIR	POOR
LME AVERAGE		US $	7500	7000	7400	7400	7400	7400	7400
EXCHANGE RATE		RS/US $	52.00	46.00	52.00	52.00	52.00	52.00	52.00
PREMIUM									
CATHODE		US $	85	170	85	85	85	85	85
WIRE ROD		US $	225	290	225	225	225	225	225
SELLING PRICE(BASIC)									
CATHODE		RS/T	419429	348950	413938	413938	413938	413938	413938
WIRE ROD		RS/T	424115	353551	418625	418625	418625	418625	418625
PRODUCTION									
MIC		**TONNE**	**35000**	**33000**	**36910**	**35200**	**33260**	**31345**	**29455**
MIC(MCP)		TONNE	21000	20500	22000	21000	19800	18600	17400
MIC(SURDA)		TONNE	4000	3500	4200	4000	3770	3540	3310
MIC(KCC)		TONNE	10000	9000	10710	10200	9690	9205	8745
CATHODE (ICC)		TONNE	16500	17500	17325	16500	15500	14500	13500
CATHODE (kCC) - TOLLED		TONNE	9412	10824	10080	9600	9120	8664	8231
CATHODE (MCP) - TOLLED		TONNE	7692	8395	8026	7692	7311	6930	6549
TOTAL CATHODE		**TONNE**	**33604**	**36719**	**35431**	**33792**	**31931**	**30094**	**28280**
WIRE ROD : OWN		TONNE	30558	33245	32233	30746	29038	27353	25676
WIRE ROD : TOLLED		TONNE	0	0	0	0	0	0	0
TOTAL WIRE ROD		**TONNE**	**30558**	**33245**	**32233**	**30746**	**29038**	**27353**	**25676**
SALES									
MIC		TONNE							
CATHODE		TONNE	3000	2000	3150	3000	2850	2700	2565
WIRE ROD		TONNE	30100	34638	31800	30300	28800	27400	26000
TOTAL		**TONNE**	**33100**	**36638**	**34950**	**33300**	**31650**	**30100**	**28565**
MANPOWER IN OPERATION		**NUMBER**	**4490**	**4490**	**4150**	**4150**	**4150**	**4150**	**4150**

HINDUSTAN COPPER LIMITED

CASH FLOW STATEMENT

(RS IN CRORE)

Year ending 31st March	2012-13	2013-14
SOURCE OF FUNDS		
Net Profit/Loss after Tax	225.18	273.05
Depreciation	22.20	24.58
Amortisation	128.95	146.12
Provisions	23.63	13.32
Derease in Current Assets	0.64	0.00
Decrease in Investment	0.00	250.16
INFLOWS	**400.60**	**707.23**
USAGE OF FUNDS		
Purchase of Fixed Assets	38.00	20.00
Increase in Current Assets	0.00	91.93
Increase in Investment	80.00	0.00
Mine Development Expenditure	130.00	130.00
Mine Expansion	159.99	570.37
OUTFLOWS	**407.99**	**812.30**
Opening balance	427.67	420.28
Net Surplus/Deficit	(7.39)	(105.08)
Closing Cash Balance	420.28	315.20

Balance Sheet Data (as on 31st March)

S No	Particulars	Unit	2008-09	2009-10	2010-11	2011-12		2012-13		2013-14
			Actual	Actual	Actual	MOU	Actual	MOU	Projected	MOU
1	Sources of Fund									
1.1	*Shareholders* Fund(a+b+c)		967.90	1122.58	1238.97	1292.24	1454.87	1564.61	1572.52	1680.81
	a. Paid-up Capital	Rs Cr	462.61	462.61	462.61	462.61	462.61	462.61	462.61	462.61
	b. Share Money Awaiting Allotment	Rs Cr	0.00	0.00	0.00	0.00	0.00	0.00	0.00	*0.00*
	c. Reserves & Surplus		505.29	659.97	776.36	829.63	992.26	1102.00	1109.91	1218.20
	i) Profit & Loss Account (CR)	Rs Cr	236.15	390.83	490.44	560.49	682.11	815.96	799.76	965.28
	ii) Other Statutory Reserves/General Reserves	Rs Cr	211.91	211.91	228.69	211.91	252.92	228.81	252.92	252.92
1.2	Long-Term Loans	Rs Cr	36.03	0.05	0.00	0.00	0.00	0.00	0.00	0.00
1.3	Deferred Tax Liability	Rs Cr	57.23	57.23	57.23	57.23	57.23	57.23	57.23	0.00
	Total	Rs Cr	1003.93	1122.63	1238.97	1292.24	1454.87	1564.61	1572.52	1680.81
2	Application of Funds									
2.1	Gross Block	Rs Cr	731.36	760.35	770.01	782.49	788.14	831.01	826.14	846.14
2.2	Less: Depreciation	Rs Cr	521.66	540.72	556.84	539.22	578.97	604.43	601.17	625.75
2.3	Net Block		209.70	219.63	213.17	243.27	209.17	226.58	224.97	220.39
2.4	Discarded Fixed Assets Net of Provision	Rs Cr	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2.5	Capital Work In Progress	Rs Cr	12.79	4.88	0.26	0.97	11.77	241.22	171.76	742.13
2.6	Investments (Financial)	Rs Cr	0.00	71.91	86.48	120.43	170.16	86.48	250.16	0.00
2.7	Current Assets(a)	Rs Cr	730.52	581.28	752.90	593.61	893.28	815.14	885.25	872.10
2.8	Loans and Advances(b)	Rs Cr	220.54	225.25	65.35	199.73	79.37	320.35	79.37	79.37
2.9	Total Current Assets(2.7+2.8)	Rs Cr	951.06	806.53	818.25	793.34	972.65	1135.49	964.62	951.47
2.10	Current Liabilities(d)		589.91	441.52	391.97	372.75	450.57	661.27	581.73	702.58
2.11	Net Current Assets(e)=(a-d)	Rs Cr	361.15	365.01	426.28	420.59	522.08	474.23	382.89	248.89
2.12	Deferred Revenue Expenditure	Rs Cr	366.70	404.00	458.94	449.78	478.64	482.26	479.69	463.58
2.13	Deferred Tax Assets	Rs Cr	53.59	57.20	53.84	57.20	63.05	53.84	63.05	5.82
2.14	Profit & Loss Account (DR)	Rs Cr								
	Total(2.3 to 2.6, 2.11 to 2.14)	Rs Cr	1003.93	1122.63	1238.97	1292.24	1454.87	1564.61	1572.52	1680.81
	Working Notes :-									
	Current Assets									
	Current Investments	Rs Cr								60.00
	Inventories	Rs Cr	259.95	260.03	322.66	288.20	320.64	173.87	345.00	381.93
	Sundry Debtors	Rs Cr	159.95	142.04	65.22	126.26	121.74	74.20	96.74	91.74
	Cash & Bank Balances	Rs Cr	299.48	173.36	342.26	152.07	427.67	557.89	420.28	315.20
	Other Current Assets	Rs Cr	11.14	5.85	22.76	27.08	23.23	9.18	23.23	23.23
	Total		730.52	581.28	752.90	593.61	893.28	815.14	885.25	872.10
	Current Liabilities									
	Sundry Creditors & Other Liabilities	Rs Cr	402.74	210.77	231.63	138.70	191.37	132.68	191.37	191.37
	Provisions	Rs Cr	187.17	230.75	160.34	234.05	259.20	528.59	390.36	511.21
	Total		589.91	441.52	391.97	372.75	450.57	661.27	581.73	702.58
	Breakup of Inventory									
	Finished Goods	Rs Cr	4.44	12.61	8.93	23.55	23.07	13.28	26.88	41.89
	Work In Progress	Rs Cr	180.24	197.52	273.73	224.11	237.43	120.59	270.49	290.41
	Raw Materials	Rs Cr	11.66	0.03	0.03	0.00	0.01	0.00	0.00	0.00
	Stores & Spares	Rs Cr	63.61	49.87	39.97	40.54	60.13	40.00	47.63	49.63
	Total		259.95	260.03	322.66	288.20	320.64	173.87	345.00	381.93