



**MEMORANDUM OF UNDERSTANDING**

**BETWEEN**

**HINDUSTAN COPPER LIMITED**

**AND**

**MINISTRY OF MINES**

**FOR**

**2017 - 2018**

## Brief about the CPSE

1.	Name of the CPSE		HINDUSTAN COPPER LIMITED	
2.	Status (Please tick): As per DPE guidelines		Sick/Incipient Sick/weak/None	
3.	Reasons for Sickness, if applicable		NA	
4.	Whether registered with BIFR, if yes, details		NA	
5.	Schedule of the CPSE (Please tick)		√A/B/C/D/None	
6.	Purpose for which CPSE has been setup and the main business now		Mining, beneficiation, Smelting/refining to manufacture Copper & other by products. Main business is sale of copper and other by products.	
7.	Number and name of subsidiary companies along with amount invested and share in its profit during last five years		NA	
	Year	Name of Subsidiary	Amount invested (Rs.)	Share in its profit (Rs.)
	2011-12			
	2012-13			
	2013-14			
	2014-15			
8.	Number and Name of Joint Venture companies along with amount invested and share in its profit during last five years		NA	
	Year	Name of Joint Venture	Amount invested (Rs.)	Share in its profit (Rs.)
	2011-12			
	2012-13			
	2013-14			
	2014-15			
9.	Details of of revival plan approved year		NA	

## Mandatory Parameters

## PART A

Sl No.	Financial Performance Criteria	Unit	Marks	2016-17 (Estimated)	Best in 5 years	MoU Target for the year					% Improvement*
						Excellent	V.G	Good	Fair	Poor	
						100%	80%	60%	40%	20%	
i	Turnover Revenue from operations (Net of Excise Duty & Discount)	Rs Crore	10	1101.82	1488.88	1650.00	1600.00	1500.00	1450.00	1400.00	45.21
ii	Operating Profit/Loss										
	CPSEs with operating profit (Profit/Surplus before Tax excluding other Income, Extraordinary and Exceptional items):										
	Operating profit/surplus as a percentage of Revenue from operations (Net)	%	20	(-) 2.15	26.08	4.00	3.50	3.00	2.50	2.00	262.79
iii	Return on Investment										
	Profit earning CPSEs with no accumulated losses.										
	PAT or Surplus/Average Net Worth	%	20	5.85	38.08	6.00	5.50	5.00	4.75	4.50	- 5.98
	<b>Total</b>		<b>50</b>								

- % improvement is worked out for 2016-17 (Estimated) over MoU Very Good target.

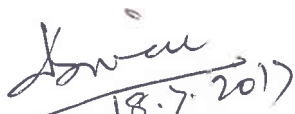
**Other Parameters  
(Part-B)**

Sl No.	Performance criteria	Unit	Mar ks	2016-17 (Estimat ed)	Best in 5 years	MoU Target for the year					% Improv ement
						Excellent	V.G	Good	Fair	Poor	
						100%	80%	60%	40%	20%	
i	<b>Capacity Utilisation</b> Production of MIC & GCP Cathode from purchased copper/blister	MT	10	34966	34966	39650	37750	36075	35650	34725	7.96
ii	CAPEX	Rs. Crore	5	400.66	400.66	400.00	390.00	380.00	370.00	360.00	- 2.66
iii	Percentage of value of CAPEX contracts/projects running/completed during the year without time/cost overrun to total value of CAPEX contracts running/completed during the year (Annexure "A")	%	5	100	100	100	90	80	70	60	-10.00
iv	Inventory of finished goods and work in progress to Revenue from operations (Net)	Days	5	241	64	132	140	147	156	165	41.91
v	Trade receivables (Net) as number of days of revenue from Operations (gross)	Days	5	50	20	20	21	22	24	25	58.00
vi	Reduction in claims against the company not acknowledged as debt on overall basis	%	5	11.49 (Rs. 385.27 cr.)	18.17	10	9	8	7	6	-21.67
vii	<b>Any other result oriented parameters taken for target setting:</b>										
	a) Improvement in cubic meter of ore production for at Khetri mine (stopping) per Kg of explosive consumption over previous year.	%	5	(-)6.10 (0.77 Cu.m/ Kg)	12.70	12	10	9	8	7	-

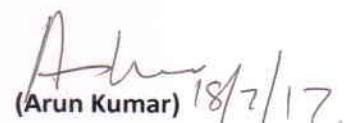
vii **HRM Related Parameters:**

Sl.No.	Particulars	Unit	Marks	MoU Target				
				Excellent	Very Good	Good	Fair	Poor
1	On-line submission of ACR/APAR in respect of all executives (EO and above) along with compliance of prescribed timelines w.r.t writing of ACR/APAR	% of number of executives	2	100	95	90	85	80
2	Online quarterly vigilance clearance updation for Senior Executives (AGM and above)	% of number of senior executives	2	100	95	90	85	80
3	Preparation of succession plan and its approval by Board of Directors	Date	2	30.09.17	15.10.17	31.10.17	15.11.17	30.11.17
4	Holding of DPC without delay for executives (EO and above level)	%	2	100	95	90	85	80
5	Talent Management and career progression by imparting at least one week training in Centre of Excellence (within India) e.g. IITs, IIMs, NITs ICAI etc.	% of Executives	2	5	4.5	4	3.5	3

- a) CPSE informed that it will update land holdings on Government Land Information System (GLIS).
- b) It was agreed that the targets recommended by the IMC are based on estimates submitted by the CPSE for the year 2016-17. In case of better performance of the CPSE as per final results as compared to estimates, the difference may be added to the targets for the year 2017-18.
- c) It was agreed that targets decided in MoU are unconditional and no offset will be allowed. Further evaluation would be subject to compliance of additional eligibility criteria as contained in para 14.2 of MoU guidelines 2017-18

  
(K.D. Diwan)

Chairman-cum-Managing Director  
Hindustan Copper Limited

  
(Arun Kumar) 18/7/17  
Secretary

Ministry of Mines

**PART – A**  
**TREND ANALYSIS**

SL. No.	Financial Performance Criteria	Unit	Target v/s Actual	Financial Year						
				2011-12	2012-13	2013-14	2014-15	2015-16	2016-17 Estimated	2017-18 Projected
1	Revenue from Operations - Gross	Rs crore		1641.44	1476.54	1625.05	1138.20	1074.23	1228.71	1798.16
	Revenue from Operations - Net		Actual	1488.88	1326.36	1491.27	1017.38	971.11	1101.82	
			MoU	1199.02	1400.92	1477.81	1476.22	1369.16	1305.00	1600.00
2	a. Profit before Tax	Rs crore		472.95	403.61	430.65	80.45	39.61	94.20	77.05
	b. Other Incomes			84.92	249.70	95.04	66.90	48.92	117.89	21.00
	c. Extraordinary & Exceptional items			0.00	0.00	0.00	0.00	0.00	0.00	0.00
	d. Prior period items			(0.03)	(0.63)	(7.36)	1.35	(2.17)	0.00	0.00
	d. Operating Profit/Loss (a-b+/-c +/-d)		Actual	388.06	154.54	342.97	12.20	(7.14)	(23.63)	
			MoU	281.51	264.62	342.10	257.25	90.36	58.68	56.05
3	a. PAT	Rs crore		323.47	355.64	286.42	67.60	37.74	61.94	48.98
	b. Net Worth at year end			919.00	1114.22	1253.10	1142.46	1073.09	1042.93	952.10
	c. Average Net Worth			849.52	1016.61	1183.66	1197.78	1000.11	1058.01	890.57
	d. PAT/Net Worth	% Actual		38.08	31.92	22.86	5.92	4.40	5.85	
			MoU	27.18	21.91	22.43	15.22	7.06	5.85	5.14
	f. Paid-up Share Capital	Rs crore		462.61	462.61	462.61	462.61	462.61	462.61	462.61
	g. GOI Share			460.71	434.91	416.35	416.11	416.11	383.73	383.73
	h. Reserves and Surplus			935.03	1182.42	1366.66	1398.92	947.95	1004.35	1035.64
4	Total expenses	Rs.		1253.41	1322.73	1289.44	1124.65	1083.54	1252.34	1742.11
5	Total Incomes	crore		1726.36	1726.34	1720.09	1205.10	1123.15	1346.54	1819.16
6	Total expenses/Total Incomes	%		72.60	76.62	74.96	93.32	96.47	93.00	95.76
7	Detail of Other Incomes									
	a. Interest	Rs. crore		38.87	55.06	49.19	45.42	27.02	24.25	5.00
	b. Dividend			5.40	8.47	3.27	3.76	3.17	0.05	0.00
	c. Other Incomes			40.65	186.17	42.58	17.72	18.73	93.53	16.00
	d. Total			84.92	249.70	95.04	66.90	48.92	117.83	21.00
8	a. Cash and Bank Balance and equivalents	Rs. crore		279.04	345.85	370.89	112.61	171.98	55.03	30.56
	b. Investment in mutual funds			170.16	92.60	124.78	139.16	144.28	2.66	2.66
	c. Investment in shares other than subsidiary/JVs			0.00	0.00	0.00	0.00	0.00	0.00	0.00
	d. Total (a+b+c)			449.20	438.45	495.67	251.77	316.26	57.69	33.22
	e. Cash credit/Over-draft loan/Short-Term loan			0.00	0.00	0.00	0.00	0.00	104.72	0.00
	f. Balance in Current account			10.61	7.20	17.69	16.12	6.25	0.15	0.00
9	Dividend paid/declared for the year(excluding Div Tax)	Rs. crore		92.52	92.52	92.52	13.88	0.00	18.58	14.69

## PART – B

SL No.	Financial Performance Criteria	Unit	Target v/s Actual	Financial Year						
				2011-12	2012-13	2013-14	2014-15	2015-16	2016-17 Estimated	2017-18 Projected
1	Installed Capacity in respect of Copper wire rod	MT		60000	60000	60000	60000	60000	60000	60000
2	Capacity Utilisation in respect of wire rod	MT	Actual	26310	20368	23090	19709	26062	18167	
			MoU	27871	34638	30746	18000	22392	Not in MoU	32163
3	Contribution of Copper Wire rod in Sales	%		78.29	80.21	48.49	86.91	87.61	60.41	86.79
4	Exports as a percentage of Revenue from operations	%	Actual	4.05	5.47	24.24	1.79	12.70	11.27	
			MoU	3.52	3.68	9.55	3.01	3.43	2.40	2.04
5	CAPEX	Rs. Crore	Actual	155.74	260.28	310.28	399.03	398.56	400.66	
			MoU	140.82	292.99	383.50	268.00	380.00	380.00	390
6	CAPEX contracts/projects running/completed without time/cost overrun to total value of CAPEX	%	Actual	Not in MoU	Not in MoU	Not in MoU	Not in MoU	Not in MoU	100	
			MoU	Not in MoU	Not in MoU	Not in MoU	Not in MoU	Not in MoU	95	90
7	Inventory of finished goods and work in progress	Rs. crore		260.50	310.82	356.12	370.50	457.71	729.01	613.70
8	Inventory of finished goods and work in progress to revenue from operations (Net)	%	Actual	17.43	23.43	23.88	36.42	47.13	66.16	
			MoU	20.66	9.56	22.49	16.95	26.88	33.95	38.36

Sl. No.	Financial Performance Criteria	Unit	Target v/s Actual	Financial Year						
				2011-12	2012-13	2013-14	2014-15	2015-16	2016-17 Estimated	2017-18 Projected
9	Trade receivables (Net)	Rs. Cr.	Actual	121.74	184.51	198.83	85.22	57.33	165.07	
			MoU	126.26	74.20	91.74	80.00	122.40	83.84	103.45
10	Trade receivables (Net) as number of days of Revenue from Operations (gross)	No of Days	Actual	27	46	45	27	20	50	
			MoU	35	18	20.	18	29	21	21
11	Claims against the Company not acknowledged raised by	Rs Crore								
	By Central Government depts			34.57	50.70	73.13	96.65	55.46	45.40	45.40
	By State Government depts			172.70	155.98	368.92	364.14	292.29	291.41	256.81
	By CPSEs			Nil	Nil	Nil	Nil	Nil	Nil	Nil
	By Others			28.46	66.70	69.01	71.12	87.52	48.46	48.46
	Total			Actual	235.73	273.38	511.06	531.91	435.27	385.27
		MoU	NA	NA	NA	NA	NA	385.27	350.67	
12	Any other result oriented parameters :	Cu.m/Kg								
	Production of ore at KCC mine per Kg of explosive consumption (Stoping)		Actual	0.70	0.63	0.71	0.80	0.82	0.77	'
			MoU	Not in MoU	Not in MoU	Not in MoU	Not in MoU	0.85	Not in MoU	0.85



**HINDUSTAN COPPER LIMITED**  
**MOU 2017-18**  
**ASSUMPTION**

PARTICULARS		EXCELLENT	VERY GOOD	GOOD	FAIR	POOR
<b>LME AVERAGE</b>	<b>US\$</b>	<b>6000</b>	<b>6000</b>	<b>6000</b>	<b>6000</b>	<b>6000</b>
<b>EXCHANGE RATE</b>	<b>Rs/US\$</b>	<b>65.00</b>	<b>65.00</b>	<b>65.00</b>	<b>65.00</b>	<b>65.00</b>
<b>SELLING PRICE(BASIC)</b>						
MIC(KCC)	Rs/Tonne	319201	319201	319201	319201	319201
MIC(MCP)	Rs/Tonne	332408	332408	332408	332408	332408
CATHODE	Rs/Tonne	418272	418272	418272	418272	418272
WIRE ROD	Rs/Tonne	421704	421704	421704	421704	421704
<b>PRODUCTION</b>						
MIC(MCP)	Tonne	18900	18000	17100	16200	15300
MIC(SURDA)	Tonne	1575	1500	1425	1350	1275
MIC(KCC)	Tonne	11865	11300	10735	10170	9605
<b>TOTAL MIC PRODUCTION</b>	<b>Tonne</b>	<b>32340</b>	<b>30800</b>	<b>29260</b>	<b>27720</b>	<b>26180</b>
GCP CATHODE FROM PURCHASED COPPER	Tonne	7310	6950	6815	7930	8545
<b>TOTAL MIC PRODUCTION + GCP CATHODE FROM PURCHASED COPPER</b>	<b>Tonne</b>	<b>39650</b>	<b>37750</b>	<b>36075</b>	<b>35650</b>	<b>34725</b>
CATHODE : TOLLED	Tonne	11168	10636	10104	9572	9041
CATHODE: (GCP +ICC )	Tonne	22981	21875	20994	21363	21231
<b>TOTAL CATHODE</b>	<b>Tonne</b>	<b>34149</b>	<b>32511</b>	<b>31098</b>	<b>30935</b>	<b>30272</b>
WIRE ROD : OWN	Tonne	33785	32163	30768	30603	29923
WIRE ROD : CONVERSION	Tonne	0	0	0	0	0
<b>TOTAL WIRE ROD</b>	<b>Tonne</b>	<b>33785</b>	<b>32163</b>	<b>30768</b>	<b>30603</b>	<b>29923</b>
<b>SALES</b>						
MIC(KCC)	Tonne	0	0	0	0	0
MIC(MCP)	Tonne	3355	3196	3036	2876	2716
CATHODE -ICC	Tonne	0	0	0	0	0
CATHODE -GCP	Tonne	313	300	284	286	304
WIRE ROD	Tonne	33785	32163	30768	30603	29923
<b>TOTAL SALES</b>	<b>Tonne</b>	<b>37453</b>	<b>35659</b>	<b>34088</b>	<b>33765</b>	<b>32943</b>
<b>MANPOWER IN OPERATION</b>	<b>Nos</b>	<b>2700</b>	<b>2700</b>	<b>2700</b>	<b>2700</b>	<b>2700</b>

**Balance Sheet as on 31st March 2018**

S No	Particulars	Unit	2017-18 (MOU)				
			EXCELLENT	VERY GOOD	GOOD	FAIR	POOR
<b>1</b>	<b><u>Sources of Fund</u></b>						
1.1	<b>Shareholders Fund(a+b+c)</b>	<b>Rs Cr</b>	<b>1501.15</b>	<b>1498.25</b>	<b>1495.34</b>	<b>1493.93</b>	<b>1492.47</b>
	a. Paid-up Capital	Rs Cr	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
	<b><u>c. Reserves &amp; Surplus</u></b>	<b>Rs Cr</b>	<b>1038.54</b>	<b>1035.64</b>	<b>1032.73</b>	<b>1031.32</b>	<b>1029.86</b>
	i) Profit & Loss Account (CR)	Rs Cr	734.99	732.09	729.18	727.77	726.31
	ii) General Reserve	Rs Cr	89.66	89.66	89.66	89.66	89.66
	iii) Other Statutory Reserves	Rs Cr	213.89	213.89	213.89	213.89	213.89
1.2	Long-Term Borrowings	Rs Cr	204.98	204.98	204.98	204.98	204.98
1.2(a)	Long-Term Liabilities & Provisions	Rs Cr	94.65	94.65	94.65	94.65	94.65
1.3	Deferred Tax Liability	Rs Cr	33.26	33.26	33.26	33.26	33.26
<b>1.4</b>	<b>Total</b>	<b>Rs Cr</b>	<b>1834.05</b>	<b>1831.14</b>	<b>1828.23</b>	<b>1826.82</b>	<b>1825.36</b>
<b>2</b>	<b><u>Application of Funds</u></b>						
2.1	Gross Block	Rs Cr	1101.96	1101.96	1101.96	1101.96	1101.96
2.2	Less: Depreciation	Rs Cr	741.58	741.58	741.58	741.58	741.58
<b>2.3</b>	<b>Net Block</b>		<b>360.38</b>	<b>360.38</b>	<b>360.38</b>	<b>360.38</b>	<b>360.38</b>
2.4	Discarded Fixed Assets Net of Provision	Rs Cr	0.00	0.00	0.00	0.00	0.00
2.5	Capital Work In Progress	Rs Cr	623.33	623.33	623.33	623.33	623.33
2.6	Deferred Revenue Expenditure	Rs Cr	332.26	332.26	332.26	332.26	332.26
2.7	Non-Current Investments	Rs Cr	2.66	2.66	2.66	2.66	2.66
2.8	Deferred Tax Assets	Rs Cr	84.84	84.84	84.84	84.84	84.84
2.9	Long Term Loans & Advances	Rs Cr	87.34	87.34	87.34	87.34	87.34
2.10	Current Assets(a)	Rs Cr	1890.73	1887.82	1884.91	1883.51	1882.05
<b>2.10</b>	<b>Total Current Assets=(2.10)</b>	<b>Rs Cr</b>	<b>1890.73</b>	<b>1887.82</b>	<b>1884.91</b>	<b>1883.51</b>	<b>1882.05</b>
2.11	Current Liabilities(d)		1547.49	1547.49	1547.49	1547.49	1547.49
2.12	Net Current Assets(e)=(a-d)	Rs Cr	343.24	340.33	337.42	336.02	334.56
2.13	Profit & Loss Account (DR)	Rs Cr	0.00	0.00	0.00	0.00	0.00
<b>2.14</b>	<b>Total(2.3 to 2.9 &amp; 2.12 2 to 2.13)</b>	<b>Rs Cr</b>	<b>1834.05</b>	<b>1831.14</b>	<b>1828.23</b>	<b>1826.82</b>	<b>1825.36</b>
	<b><u>Working Notes :-</u></b>						
	<b><u>Current Assets</u></b>						
	Current Investments	Rs Cr	0.00	0.00	0.00	0.00	0.00
	Inventories	Rs Cr	689.57	706.56	696.97	712.59	725.74
	Trades Receivables	Rs Cr	103.45	103.45	103.45	107.03	107.45
	Cash & Cash Equivalents	Rs Cr	50.46	30.56	37.24	16.64	1.60
	Short Term Loans and Advances(b)	Rs Cr	258.40	258.40	258.40	258.40	258.40
	Other Current Assets	Rs Cr	788.85	788.85	788.85	788.85	788.85
	<b>Total</b>	<b>Rs Cr</b>	<b>1890.73</b>	<b>1887.82</b>	<b>1884.91</b>	<b>1883.51</b>	<b>1882.05</b>
	<b><u>Current Liabilities</u></b>						
	Trades Payables & Other Liabilities	Rs Cr	1443.63	1443.63	1443.63	1443.63	1443.63
	Short Term Provisions	Rs Cr	103.86	103.86	103.86	103.86	103.86
	<b>Total</b>	<b>Rs Cr</b>	<b>1547.49</b>	<b>1547.49</b>	<b>1547.49</b>	<b>1547.49</b>	<b>1547.49</b>
	<b><u>Breakup of Inventory</u></b>						
	Raw Materials	Rs Cr	0.22	0.22	0.22	0.22	0.22
	Work In Progress	Rs Cr	535.81	552.80	543.21	558.83	571.98
	Finished Goods	Rs Cr	60.90	60.90	60.90	60.90	60.90
	Stores & Spares	Rs Cr	92.64	92.64	92.64	92.64	92.64
	<b>Total</b>	<b>Rs Cr</b>	<b>689.57</b>	<b>706.56</b>	<b>696.97</b>	<b>712.59</b>	<b>725.74</b>

**CAPEX MONITORING DETAILS UNDER MAJOR HEADS FOR THE YEAR 2017-18**

<b>Sl. No.</b>	<b>Name of Project</b>	<b>Total Approved plan outlay</b>	<b>Scheduled date of completion</b>	<b>Major Milestone during the year</b>	<b>Date of completion of Major Milestone</b>	<b>Amount to be spent during the year 2017-18 (Rs. Crores)</b>
1	Malanjkhanda Underground Mine, Malanjkhanda	1856.00	March 2020	Sinking of Production Shaft, Service Shaft, North Ventilation Shaft, South Ventilation Shaft, Decline development 300 metre	31.03.2018	120.00
2	Gujarat Copper Project, Bharuch	290.00	31.12.2017	Complete refurbishment of Kaldo furnace & associated equipment	31.12.2017	40.00
3	Mine Development at Malanjkhanda Open Pit Mine	360.00	March 2019	Excavation of 30 LBCM	31.03.2018	130.00
4	Renewal & Replacement of existing equipment	Ongoing activity every year		Loading & hauling equipment, process equipment and Flash Smelter equipment	31.03.2018	38.00
5	Power Project at ICC (alternate source of power)	27.00	March 2018	Installation and commissioning of power plant at Indian Copper Complex, Ghatsila	31.03.2018	27.00
	<b>Total</b>					<b>355.00</b>