



हिन्दुस्तान कॉपर लिमिटेड

HINDUSTAN COPPER LIMITED

CIN No. : L27201WB1967GOI028825

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

भारत सरकार का उपक्रम

A GOVT. OF INDIA ENTERPRISE

No. HCLISCY/SE/ 2016

26.9.2016

The Sr. General Manager
Dept. of Corporate Services
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai 400 001
BSE Scrip Code: 513599

The Vice President
Listing Department
National Stock Exchange of India Ltd
Exchange Plaza, C-1, Block G
Bandra-Kurla Complex, Bandra(East)
Mumbai 400 051
NSE Symbol: HINDCOPPER

Sir/ Madam,

Sub: Proceedings of the 49th Annual General Meeting of the Company held on 26.9.2016 in terms of Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

1. The 49th Annual General Meeting (AGM) of Hindustan Copper Ltd was held on 26.9.2016 at its registered office at 'Tamra Bhavan', 1 Ashutosh Chowdhury Avenue, Kolkata - 700019. The proceedings of the AGM is enclosed as Annexure.
2. The above is submitted pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for information and record please.

Thanking you,

Yours faithfully,


(C S Singh)
GM & Co Secretary

Encl. as stated

The summary of proceedings of the 49th Annual General Meeting (AGM) of Hindustan Copper Ltd. ('the Company') was held on 26.9.2016 at its registered office at 'Tamra Bhavan', 1 Ashutosh Chowdhury Avenue, Kolkata - 700019 from 10:30 AM to 1:17 PM.

Shri K D Diwan, Chairman of the Company, chaired the meeting. The quorum was present throughout the meeting. 1555 Members were present in person or through proxy at the meeting. The business before the meeting was taken up. A copy of Speech given by Chairman is enclosed.

The Ordinary and Special Business transacted by Members are as listed under Serial No. 1 to 13 below. Queries raised by members during deliberations were replied.

The facility of casting votes by remote e-voting was provided to the Members from 23.9.2016 (9:00 AM) to 25.9.2016 (5:00 PM). Voting by Ballot was also provided to the Members at the meeting venue.

The following Items of business as per 49th AGM Notice dated 26.8.2016 were transacted:

Ordinary Business

1. Adoption of audited Financial Statement for the year ended 31st March, 2016 together with the Reports of the Directors Auditors and CAG
2. Appointment of Shri Kailash Dhar Diwan Director retiring by rotation
3. Appointment of Shri Anupam Anand Director retiring by rotation
4. Remuneration of Auditors

Special Business

5. Appointment of Shri Nikunja Bihari Dhal as Director
6. Appointment of Shri Sanjay Kumar Bhattacharya as Director (Mining)
7. Appointment of Smt Simantini Jena as Director
8. Appointment of Shri Hemant Mehtani as Director
9. Appointment of Shri Dileep Raj Singh Chaudhary as Director
10. Appointment of Shri Niranjana Pant as Director
11. Appointment of Shri Santosh Sharma as Director (Operations)
12. Ratification and confirmation of the remuneration payable to the Cost Auditors
13. Borrowing of money through private placement of non-convertible debentures/ bonds, for approval of shareholders of the Company within the already approved borrowing limit

All the resolutions as per the Agenda of the meeting were passed by the Members by the requisite majority through remote e-voting and Ballot at the AGM venue.



**Hindustan Copper Limited
Chairman Speech
49th AGM
26th September, 2016**

My Dear Shareholders, Distinguished Guest, Ladies & Gentlemen

Very Good Morning and hearty welcome to all of you!

It is a great honour and privilege for me to address on behalf of the Board of Directors on 49th Annual General Meeting of your Company. As we enter to the Golden Jubilee year of the Company, I would like to place on record our deep sense of gratitude to all the Shareholders for their support and inspiration to achieve newer milestones of success.

The Annual Report for the year ended 31st March, 2016 along with the AGM notice; Directors' Report and the audited Annual Accounts of the Company have been circulated to you. With your permission, I take them as read. Now, with your permission, I would like to dwell on the developments in the Indian economy and copper sector.

The Economy

During the year 2015-16, India emerged as one of the strongest economies of the world because of robust GDP growth and reduction in both inflation and current account deficit despite headwinds like the stress in the banking sector. Even as other emerging and major economies struggled, consistency in GDP growth 7.6 percent in 2015-16 and 7.2 percent in 2014-15 is a strong indicator of our sustained progress. India's GDP growth surpassing China is another milestone; macro indicators have shown that India should be able to sustain this momentum. The quantum and magnitude of the Government's reforms, both accomplished and planned, are also indicators of a stronger economy. Despite the global meltdown, Indian economy continues to grow more than 7 percent for the third year in succession in fiscal year 2016-17 helped by a good monsoon and pay hikes to Government employees that will act as a stimulus to the consumption demand.

The Government of India is making all our efforts to revive the investment cycle. The sense of urgency shown can be gauged by the action of our Hon'ble Prime Minister, who is himself reviewing the progress of decisions taken across Ministries and Departments. We see the Goods and Services Tax as a potential

game changing reform for the Indian economy. Apart from simplifying the current tax structure, GST should help create "One" India by eliminating geographical differences. While short-term macro-economic implications of GST may be mixed, in the longer term, GST implementation should lift the growth further. With greater emphasis on increasing growth rate of manufacturing sector, higher rates of urbanization, rising middle class population, we are confident of a buoyant Indian metal & mineral industry in the years to come.

The Industry

The global economic uncertainty continues to affect the world copper market and demand has not improved significantly. The market scenario has adversely affected the companies involved in mining of copper mineral. The capacity utilization of these companies is below normal level and has led sharp fall in their operating margins.

With regards to domestic market, during the year 2015-16, refined copper production of the country has increased by 4% at 7.9 lakh tonnes, as compared to 7.6 lakh tonnes in 2014-15. The consumption of refined copper has increased by 8 % at around 6.5 lakh tonnes. The consumption growth during the current year is expected to be around 7 to 8 percent. Dear Shareholders, though the demand of copper in the Country has increased substantially, the imports from FTA's countries with duty concession have captured nearly 30 percent of the Indian market. Consequently, the market premium on the refined copper has decreased by 50 percent and has allowed the customer to aggressively negotiate the price. We have taken up the matter with the Government of India and requested for safeguard duty on imports of refined copper.

The Government's flagship programme like Make in India and Smart Cities are gaining traction both in India and abroad. These initiatives are metal intensive and will give boost to metal demand in the in the years to come.

During current fiscal, sectors like cables, transformer has shown impressive growth of around 8 to 10 percent. Going forward, further softening of interest rate by RBI will ease the liquidity crunch currently being faced by the industry and drive investment in the infrastructure sectors. This will further increase the domestic consumption of copper.

On the price front, the industry is witnessing a gradual decline of LME copper price. The market in China, which nearly accounts for

45% of the global demand, is sluggish and reliant on stimulus measure from their Government. Recent developments in the financial market at China has plunged the LME price and is hovering at six year low. Notwithstanding the headwinds in the economic front, we expect the price to remain low in 2016 and picking up in early 2017.

I would now like to briefly present the key features of your Company's performance during 2015-16.

Production

Copper ore production of 3.9 million tonnes in 2015-16 was the highest in last 17 years. The production has registered increase of about 11.5 percent over last year's Ore production of 3.5 million tonnes.

Metal in Concentrate (MIC) production of 31,578 tonnes during the year registered an increase of about 27 percent over last year's MIC production of 24,878 tonnes.

Cathode production of 23,024 tonnes during the year registered an increase of about 8.6 percent over last year's Cathode production of 21,205 tonnes

Wire rod production of 26,062 tonnes during the year registered an increase of about 33 percent over last year's Wire rod production of 19,576 tonnes.

Overall sale volume during the year was 24,112 tonnes as against 21,641 tonnes in the previous year thereby registering a growth of 11.42 percent.

Financial

Financial year 2015-16 has been an extremely challenging year for the Company. Despite, marked improvement in physical performance of the Company during the year, the bottom line of the Company has been adversely affected due to steep fall in LME prices. During 2015-16, the Profit After Tax was Rs.43.56 crore as against Rs 67.60 crore in 2014-15. The decrease in Profit is due to fall in LME average price by 20.43% during the fiscal year 2015-16 as compared to last fiscal year. Average LME Price during FY 2015-16 was US\$ 5215/T as against US\$ 6554/T during FY 2014-15.

Total sales realisation in terms of turnover achieved was Rs 1068.95 crore during 2015-16 as against Rs 1127.49 crore in

2014-15 even after registering a growth of 11.4 percent in sales tonnage during the year.

The Net Worth of the company as at 31st March 2016 stood at Rs 1913.39 crore.

The Company will continue to focus of improving productivity and become more cost efficient to tide over the challenges of downturn in LME prices. We have also taken concerted efforts on generating extra revenue from other streams.

Dividend

The Board of Directors of your company have not recommended any dividend payment for the year 2015-16 keeping in view the Capex and business expansion needs and substantial reduction in cash and bank balances.

Growth Initiatives

Given the fact that HCL has huge natural resource of copper, the vision of the Company is primarily to expand in the area of mining and setting up of value added project. The work at Malanjkhanda underground mine, which is the flagship expansion project of the Company, has commenced and is expected to complete on schedule. All mine expansion projects have been affected due to delay in grant of Environment and Forest clearances from the Government. Recently, the Company has obtained forest clearance for re-opening of Rakha mine from the Government of India.

During the last AGM, I have informed the esteemed shareholders about acquisition of plant and machinery of Jhagadia Copper Ltd located at District Bharuch, Gujarat from Arcil, Mumbai. I am happy to announce that commercial production from the plant has commenced after successfully completing first phase of refurbishment work of the plant. The production ramp to the capacity level is expected to achieve by the first quarter of next fiscal.

Friends! I am glad to inform that we have commissioned a plant at Ghatsila smelter to extract LME grade nickel metal. With this, HCL is first Company in the country to produce nickel metal from primary resource. The plant, besides production of nickel, will also improve the affluent quality, as all the acid present is extracted.

Your Company has taken a leap towards developing a new technology for processing sulphide copper concentrate through hydro-metallurgy technology in collaboration with Outotec, Finland. The results of the pilot test conducted with the proposed

“Hydro-Metallurgy” technology have been successful and capex and opex are lower than the conventional technology for the volume of production considered. Based on the above technology, the Company intends to build a plant of capacity one lakh tonne per annum to manufacture copper cathode.

Going forward, we have also initiated actions to recover metals and materials, like precious metal, magnetite, silica sand and micro nutrient, from the copper ore tails. A pilot plant of 200 tonne per day capacity has been commissioned at Khetri Copper Complex. Based on the results, we are planning set up commercial plant at Malanjkhand and Khetri. We expect that this will contribute significantly to the profitability of the Company in the years to come.

To increase the resource base of copper mineral, Your Company has executed a Joint Venture Agreement on 30th August 2016 with Chhattisgarh Mineral Development Corporation Ltd., a Government of Chhattisgarh enterprise, for exploration, mining and beneficiation of copper and its associated minerals in the state of Chhattisgarh.

Corporate Governance

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. Your Company is committed to comply with the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 relating to the Corporate Governance and the guidelines on Corporate Governance for Central Public Sector Enterprises issued by the Department of Public Enterprises, Government of India.

Your Company has achieved ‘excellent’ grade on compliance of Corporate Governance for 2014-15 as per report notified by Department of Public Enterprise. Based on self evaluation of compliance of Corporate Governance for 2015-16, your Company has scored ‘excellent’ grade.

A separate section on corporate governance furnishing applicable details forms part of the Directors’ Report.

Responsibility Towards Society

Your Company is committed to fulfil its social responsibilities for making positive impact on society through a planned set of initiatives as per the relevant provisions of The Companies Act, 2013 and Companies CSR Policy Rules, 2014 and DPE Guidelines.

During FY 2015-16, the Company has spent an amount of Rs 7.68 Crores CSR activities compared to expenditure of Rs 7.26 Crores during FY 2014-15.

Your Company has taken up several projects for Sustainable Development and Corporate Social Responsibility (CSR) through activities like Promoting preventive Health Care and Sanitation and making available safe Drinking Water Facility, Promoting Education and employment enhancing Vocational skills and Livelihood opportunities, Promoting Women Empowerment, Promoting Environmental sustainability, Promoting Sports and various Rural Development Projects.

The CSR&S Plan of your company for FY 2015-16 was firmed up, in accordance with The Companies Act, 2013 and Companies CSR Policy Rules, 2014 and DPE Guidelines, and in alignment with the Baseline Survey conducted by M/s Asian Institute of Sustainable Development, Ranchi, based on Participatory Rural Appraisal (PRA) exercise conducted in the nearby villages of our mining units.

Accolades & Recognitions

Your Company has been consistently receiving recognitions in various spheres of its activities. In May 2016, HCL was received prestigious Platts Global Metals Awards, at London Industry Leadership in Base Metals. A few of the other significant recognitions received in the recent past are:

- i. Tamralipi, In House Magazine Won 3 ICE Awards in 2016
- ii. 50 Top PSU with Innovative HR Practices by ASIA PACIFIC HRM CONGRESS-2016
- iii. Quality Circles Awarded Gold Category by CCQC- 2015
- iv. 100 most talented Global HR Leaders to D(P) by World HR Congress in 2015 and 2016.

Auditors' comments

The Statutory Auditor's Report has already been circulated to all the shareholders. I am glad to inform that the Statutory Auditor's have no adverse comments on the accounts of the company for 2015-16. In addition, C&AG after having reviewed your company's accounts for 2015-16 have given a 'NIL' report.

Acknowledgement

Before I conclude, on behalf of the Board of Directors of your Company, I wish to convey earnest thanks to all the Share holders for your continued support and trust in us. This motivates us to excel in all our pursuits and constant endeavour to create value for you.

I take this opportunity to thank the Ministry of Mines for their unstinted support and valuable guidance. I also acknowledge the support extended by the State Governments and all other authorities and regulatory agencies.

I would like to thank my colleagues on the Board for their valuable guidance and contribution in steering the Company to higher levels of achievement.

Above all, I would like to place on record the commendable efforts and commitments shown by our most valued resource, i.e. the Human Resource of the Company as our employees have always contributed their best for the Company to set new benchmarks. We have recently initiated again the 'SAMVAAD', the communication exercise which will lead to emancipation of one and all.

On behalf of the Board, I also take the opportunity to acknowledge the efforts, commitment and constructive cooperation of the Trade Unions and their representatives in the operation the Company.

I thank you all once again and offer my best wishes for a very joyous festive season ahead.

Kolkata
26th September, 2016

K D Diwan
Chairman-cum-Managing Director

(This does not purport to be a record of the proceedings of the Annual General Meeting)