



हिन्दुस्तान कॉपर लिमिटेड

पंजीकृत एवं प्रधान कार्यालय
Registered & Head Office

HINDUSTAN COPPER LIMITED

CIN No. : L27201WB1967GOI028825

ताम्र भवन TAMRA BHAVAN
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कोलकाता KOLKATA - 700 019

भारत सरकार का उपक्रम
A GOVT. OF INDIA ENTERPRISE

No. HCLISCY/SE/ 2016

29.9.2020

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 53rd Annual General Meeting of the Company held on 29.9.2020 in terms of Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

1. The Proceedings of the 53rd Annual General Meeting of Hindustan Copper Ltd held on Tuesday, 29th September, 2020 at 11 AM, Indian Standard Time, through Video Conferencing /Other Audio Visual Means is enclosed.
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 Singhi)
ED & Co Secretary

Encl. as stated

Annexure

The summary of proceedings of the 53rd Annual General Meeting (AGM) of Hindustan Copper Ltd. ('the Company') held on Tuesday, 29th September, 2020 at 11 AM, Indian Standard Time, through Video Conferencing or Other Audio Visual Means from 11:00 AM to 12:48 PM.

Shri Arun Kumar Shukla, Chairman and Managing Director of the Company, chaired the Annual General Meeting (AGM). The Quorum was present throughout the meeting. 96 (Ninety six) Members joined the AGM through Video Conferencing or Other Audio Visual Means. 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 9 below. Queries raised by Members during deliberations were replied.

The facility of casting votes by remote e-voting was provided to the Members from 26.9.2020 (9:00 AM) to 28.9.2020 (5:00 PM). Facility of e-voting was also provided to the Members during the course of the meeting.

The following Items of business as per 53rd AGM Notice dated 3.9.2020 were transacted:

Ordinary Business

1. Adoption of Audited Financial Statements (Standalone and Consolidated) of the Company for the year ended 31st March, 2020 together with the Reports of the Directors, Auditors and C&AG
2. Re-appointment of Shri Arun Kumar Shukla (DIN 03324672), who retires by rotation and being eligible, offers himself for re-appointment
3. Re-appointment of Shri Sukhen Kumar Bandyopadhyay (DIN 08173882), who retires by rotation and being eligible, offers himself for re-appointment
4. Fixation of remuneration of Auditors

Special Business

5. Appointment of Shri Sanjeev Verma (DIN 08836996) as part time official Director
6. Appointment of Shri R Kalyansundaram (DIN 08518006) as part time non official Director
7. Appointment of Shri Pawan Kumar Dhawan (DIN 07327568) as part time non official Director
8. Appointment of Shri Balwinder Singh Canth (DIN 07239321) as part time non official Director
9. Ratification and confirmation of the remuneration to be paid to M/s Chatterjee and Co., Cost Auditor of the Company for FY 2020-21

All the resolutions as per the Agenda of the meeting were passed by the Members by requisite majority.

HINDUSTAN COPPER LIMITED


(C S SINGHI)
E D & Company Secretary

**Hindustan Copper Limited
Chairman's Speech**

53rd Annual General Meeting

29th September, 2020 Kolkata

Dear Shareholders, Members of the Board and distinguished guests,

Good morning and a very warm welcome to all of you to the 53rd Annual General Meeting of Hindustan Copper Ltd. As the Company Secretary has confirmed that the requisite Quorum is present, I call the meeting to order.

This year, due to CoVID -19 Pandemic, we are meeting virtually to follow social distancing and CoVID protocol. The outbreak of CoVID-19 pandemic, over the last few months, has caused unprecedented crisis across the world. In the face of this crisis, our country has drawn a road map to revive the economy with a call for 'AatmaNirbhar Bharat' which proposes a transition from high interdependence to self-reliance in manufacturing and production.

Your presence today in this online meeting bears testimony to your support and faith in the Company and I thank you for being a part of this e-gathering.

The soft copy of Company's Annual Report for 2019-20 containing 53rd AGM notice, Directors' Report, Audited Statement of Accounts for the year ending 31st March, 2020 has been circulated to you. I am sure that you have gone through the same and acquainted yourself with the physical and financial health of the Company. With your kind permission, I take the Annual Report 2019-20 as read.

Now, I would like to discuss about the developments in the Indian economy and Copper sector that has bearing on the metal and mining sector at large. I also take this opportunity to share the Company's performance in the fiscal year 2019-20, and discuss plans and future growth strategy of your Company.

Industry

Presently, the Covid-19 global pandemic has not only caused public health crisis but has disrupted the global economy on a scale not seen since the Great Depression of 1930s. The mining sector is not immune to these impacts, and the crisis has the potential to have severe consequences in the short, medium and long-term for the industry.

Global Business Scenario

The ICSG report indicated that world copper mine & concentrate production declined by 1 % and 1.2 % respectively in the 1st half of CY 2020. The mine production was affected the most during April-May 2020 and the decline was by 4 % due to COVID-19 pandemic.

During the calendar year (CY) 2019, world copper mine production declined by about 0.7% and reached a level of 20.43 million tonnes (in metal terms) due to reduced output in major copper producing countries.

World refined copper production declined by about 0.6% during the CY 2019 and reached a level of 23.94 million tonnes. The production growth was constrained by an unusually high frequency of smelter disruption, temporary shutdowns for technical upgrades, modernizations and supply interruptions.

Preliminary world refined copper balance in the first half of 2020 indicates an apparent deficit of 2.35 lakh tonne and the LME price is expected to remain bullish in near future. Sustained growth in copper demand is, however, expected to continue because of progressive move towards more sustainable economy, increase in population & standard of living, product innovation, etc.

Indian Copper Scenario

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

There are three major players which dominate the domestic copper industry - Hindustan Copper Ltd (HCL) in Public sector, M/s Hindalco Industries and M/s Vedanta in Private Sector. Production in India has declined significantly due to the permanent closure of a plant in south India.

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

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

Copper Outlook in India

Copper demand is expected to grow at 7% -8% in India. Growing demand from power sector and increasing demand from the households for consumer durables will increase demand for copper in India. Manufacturing of electric vehicles (EV) will also augment consumption of copper as EV uses four times more copper than traditional internal combustion engines. The per capita copper consumption in India is expected to increase from the current level of 0.5 Kg. The average per capita copper consumption in the world is 3.2 kg.

I may now be permitted to take you through the Company's performance during the past year.

Physical performance

Dear Shareholders, the production performance during this year was adversely affected owing to the following reasons.

Ore production during 2019-20 was 3.74% less compared to last year mainly due to breakdown of ore hoisting system at Kolihan mine. Metal in Concentrate (MIC) production was down by 18.30% due to low grade of ore at Malanjkhanda Copper Project (MCP) and Khetri Copper Complex (KCC) as well as owing to water shortage at KCC.

The overall grade of ore during 2019-20 was 0.75% as against 0.87% in 2018-19. The availability of material was less in the open pit mine at MCP which has reached its ultimate depth and is in a transition phase from open pit to underground mining.

In order to sustain and augment production during the transition phase, the Company had awarded contract for Ore production from MCP underground mine during the year. However, there has been delay in commencement of the work due to the ongoing pandemic.

To overcome the problem of water shortage at KCC, the Company had taken up the matter with the State Government of Rajasthan to increase supply of water from Kumbharam project. Cathode and Wire rod production during the year was less due to direct sale of concentrate as per business plan of the company and market scenario.

Financial performance

During 2019-20, the turnover of the Company was lower at Rs.803.17 crore compared with Rs.1753.44 crore achieved last year which is due to lower sales volume coupled with fall in LME price of Copper during the year. Also there is accumulation of saleable stock due to non-lifting of copper concentrate by the buyer owing to reasons attributable to international market.

The Company posted losses (after tax) of (Rs.569.35) crore during 2019-20 compared to profit of Rs.145.51 crore in FY 2018-19. The financial performance during 2019-20 was affected due to shortfall in production performance, lower sales volume and one time write off of closing stock amounting to Rs.257.10 crore arising out of reconciliation of metal content in copper concentrate. Further, for material containing low grade copper and presently not in use in the manufacturing process, a provision amounting to Rs.183.32 crore has been made in the books of accounts.

Reformative steps taken to improve the performance of the company:

HCL has signed a MoU with M/s Hindalco to sell 60% of its total copper concentrate production in order to assure supply of raw material to the indigenous copper manufacturers. This MoU will benefit both the companies in leveraging their business position. The partnership will also fulfill the country's mission of "Make in India" and "AatmaNirbhar Bharat Abhiyaan".

Corporate plan of HCL for the next 10 years (Corporate plan 2030) has been charted out.

Purchase manual of the company has been revised and implemented from FY 2020-21.

Standard Operating Procedure (SoP) for copper bearing inventories has been prepared and implemented.

Dividend

Your Directors have not recommended any dividend on equity shares for the year 2019-20 in view of the loss posted during the current year.

Expansion projects

Your Company has envisaged to increase mine production capacity from existing around 4 MTPA to 12.2 MTPA in first phase which will be scaled up to 20.2 MTPA in second phase in order to boost domestic production of copper and thus reduce dependence on imports.

The expansion of Malanjkhand Copper Project to augment the ore production capacity from present 2.0 to 5.0 MTPA by developing an underground mine below existing open pit mine is under implementation. However, due to poor financial position, the contractual agency has been referred to NCLT and is under liquidation process which affected the progress of construction of underground mine at Malanjkhand. Despite COVID-19 pandemic situation and liquidity problems, your Company is taking all requisite measures to complete the project and start production from the underground mine at Malanjkhand.

During the year 2019-20, Banwas Block of Khetri Mine at Khetri Nagar, Rajasthan has produced 2,43,942 tonne of ore after completion of development work.

Expert Appraisal Committee of the Ministry of Environment, Forest and Climate Change, in its meeting held in August, 2020, has recommended grant of Environmental Clearance for renewal of Surda mine lease in Ghatshila, Jharkhand, which was valid up to 31.3.2020. After obtaining Environmental Clearance Surda mining lease will be renewed and production will be resumed.

Mine development work at Kendadih mine in Ghatshila, Jharkhand, is in progress. During 2019-20 Kendadih mine has produced 43,200 MT of ore. Action has been initiated to award fresh contract for ore production at rated capacity.

The Company is exploring avenues to engage contractor through Mine Developer cum Operator (MDO) route for re-opening and expansion of closed Rakha Copper Mine, development of a new underground mine at Chapri-Sideswar and erection and commissioning of a new Concentrator Plant at ICC. Tender for appointment of transaction adviser for selection of MDO is under process.

Corporate Governance

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

Your Company has requested the Ministry of Mines to fill up the vacant posts of Directors as per applicable guidelines. This is under consideration of the Government.

Your Company has achieved 'Excellent' grade for compliance of Corporate Governance for 2018-19 and "Very Good" MoU rating as per report notified by the Department of Public Enterprise.

Responsibility towards Society

Your Company is committed to fulfill its responsibility towards society through a planned set of initiatives as per Company's CSR Policy and applicable guidelines.

Your Company has taken up several projects like promoting preventive health care, making available safe drinking water facility, promoting education and employment, enhancing vocational skills, livelihood opportunities, promoting environmental sustainability and Sports.

Initiatives undertaken to contain spread of COVID-19

Guidelines issued by the Government of India and the respective states are being adhered in HCL. In the work places, Hand sanitizers are placed at the entry points and thermal Scanners are being used for screening, at the entry points. Masks have been distributed to the employees. Also, the Unit Townships and Offices are being regularly sanitised.

Apart from the Mass sensitization programs for the employees and their families in the Townships, intensive Training programmes were organized for Doctors, Nursing & Paramedical staff at HCL Hospitals through Audio-visual means and practical demonstrations through iGOT site.

Facilities were provisioned in HCL Hospitals to turn them into COVID CARE CENTERS (CCC) Type 1, Also, an Ambulance was earmarked at the respective hospitals to shift the patients to the nearest COVID dedicated Hospitals.

HCL distributed face masks, hand sanitizers, soaps and towels to the frontline COVID-19 warriors.

HCL contributed one day's salary of its employees and Unspent CSR fund to PM CARES (Prime Minister's Citizen Assistance and Relief in Emergency Situations) Fund.

Skill Development

The Company has spent 11.76 % of its CSR fund in FY 2019-20 on various initiatives of Skill Development.

In collaboration with National Skill Development Corporation, HCL has trained 210 persons of whom 30 were freshers and 180 were under Recognition of Prior Learnings. 21 youths trained under 'Fresh Skilling' of this program got placement in reputed companies.

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

HCL imparted apprenticeship training to 314 persons in FY 2019-20.

Awards and Accolades

At the National Safety Awards (Mines) held in New Delhi on 16.12.2019, Kolihan Copper Mine, Rajasthan, won the National Safety Award (Mines) for the year 2015 under category LAFP (Longest Accident Free Period)-Type-6 and National Safety Award (Mines) for year 2016 under category LIFRM (Lowest Injury frequency rate per lakh man shift)-Type-6.

Surda Copper Mine, Jharkhand, got runner-up prize at National Safety Awards (Mines) for year 2015 under category LAFP (Longest Accident Free Period)-Type-6.

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

Khetri and Kolihan Mines of KCC got several awards during 33rd Mines Safety Week- 2019 in the category of 'Underground Mines' organized from 2.12.2019 to 8.12.2019 and during the 30th Mines Environment & Mineral Conservation Week 2019-20 in the category of 'Fully Mechanized (Group B Underground mine)' organized from 5.1.2020 to 11.1.2020.

Industrial Relations

The Industrial Relations throughout the year remained peaceful and harmonious across the Company. The Trade Unions and Officer's Association extended their full-support and commitment to the Management on important issues.

Acknowledgement

Before I conclude, I wish to thank my colleagues on the Board and Team HCL for responding positively to an unprecedented challenge.

I 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. Most of all, I thank our Shareholders for continuing to repose confidence in the Company.

Further, I take this opportunity to convey my heartfelt regards to our health workers and other frontline soldiers who are risking their lives every day in our battle against COVID-19.

I urge you all to stay safe and take very good care of yourselves and your family.

Thank you.

Kolkata
29th September, 2020

Arun Kumar Shukla
Chairman and Managing Director

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