



## **Hindustan Copper Limited**

### **Press Release**

**Kolkata, 08.06.2017**

**Hindustan Copper Limited(HCL has received a notice dated 2<sup>nd</sup> June, 2017 from M/s India Resources Limited (IRL), Special Purpose Vehicle (SPV) of M/s Eastern Goldfields Ltd (EGL), stating to have purportedly terminated the operation and maintenance of Surda mine contract with effect from "C" Shift of 2<sup>nd</sup> June, 2017.**

**HCL has taken stand that the above notice is unilateral, wrongful and breach of the present contract for which HCL is entitled to claim liquidated damages from M/s IRL/EGL. There has not been any failure on the part of HCL to pay to undisputed monthly payments for a continuous period of 90 days from the date of submission of bill for the works executed.**

**Since April'2017, the performance of M/s IRL/EGL has deteriorated sharply and has failed to achieve the monthly production targets thereby miserably failing in its contractual obligations. In fact, M/s IRL/EGL has huge outstanding liabilities in the market of more than Rs 40.0 crores which is payable to its Bankers (creditors), suppliers and wages to its employees including statutory payments.**

**Meanwhile, in the interim, HCL has taken measures to appoint an agency for re-starting the operations of Surda mine at the risk and cost of M/s IRL/EGL. HCL has floated tender for award of fresh contract for long term operation and maintenance of Surda Mine.**

***Issued by***

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