

INDEPENDENCE DAY 15th AUGUST 2020

CMD's MESSAGE

Dear friends,

I wish all the members of Tamra Parivar a happy Independence Day on the 74th Independence Day of India. On this day today, let us pay our homage to the freedom fighters who have made supreme sacrifices to make our country free. Their courage and selflessness continue to kindle our spirits even today and inspire us to prove that their sacrifice can never go in vain. On this threshold, we fondly remember the martyrs who have laid down their lives for the country. My heart also reaches out to the COVID-19 warriors who are offering their best services - directly or indirectly - by serving the COVID-19 victims and each and every employees, contract workers, advisors, mine workers who are performing their duties relentlessly for the Company, even under the threat of ongoing pandemic situation.

Presently, caught in the eye of COVID-19 storm, the economy across the world is in shambles with erratic markets, disrupted mining activities and broken supply chains; and we too have borne the brunt. The financial condition of the Company has suffered dismal performance during the fiscal year 2019-20 due to the lower grade of ore in MCP and KCC, multiple breakdowns in Kolihan mine, expiry of Surda Mining Lease etc. The COVID-19 pandemic has worsened the situation further.

These are trying times. But as the going gets tough, the tough get going. Bracing ourselves for all the hurdles ahead, the Company is on a warpath to enhance its ore production capacity from the current level of 4 MTPA to 12.2 MTPA in the first phase, and subsequently to 20.2 MTPA, in line

with the 'Aatmanirbhar Bharat Abhiyan' announced by our Hon'ble Prime Minister to build a self-reliant India. Copper, as we know, is one of the metals which are most vital for industrial growth and it is considered to be the barometer for socio-economic development of any country. At Malanjkhand Copper Project – the flagship Unit of HCL – the transition from open pit mining to underground mining is under progress and it is expected that by the end of 2020-2021, ore production from underground mine will start at Malanjkhand Copper Project.

Meanwhile, it is the need of the hour to put our house in order by bracing ourselves for all the hurdles ahead, focusing on making up for the production shortfall in FY 2020-21, meeting our expansion targets, optimizing cost, ensuring quality standards and charting out Standard Operating Procedures in strategic areas.

The Company has taken various measures in consonance with the Government advisories to contain the ongoing pandemic. All HCL offices, mines, plants and townships are being sanitised intermittently. All COVID-19 protocols, like social distancing practices and other personal hygiene measures, etc., issued by the Government of India, are being followed to break the chain of the lethal virus. The advisories on COVID-19, received from the Ministry of Mines and other Government departments/ agencies, have been widely circulated for developing mass awareness. All employees have been advised to use the “Arogyasetu” App effectively for contact tracing to ultimately contain the spread of COVID-19.

I am happy to communicate that in the 35th EAC meeting, the plea of HCL for granting EC of Surda Mines was taken positively and we are hopeful on renewal of Surda Mining Lease by the State Government very soon.

I am very thankful to all employees, Trade Union leaders, Officers Associations, and all other stakeholders for their support, even though tough decisions, like disruption of salary payment, deferment of arrear payments & PRP payments, were taken to deal with the crisis situation.

Under its CSR initiative, HCL distributed face masks, hand sanitizers, soaps and towels to the frontline COVID-19 warriors, viz. the healthcare workers, police personnel, security guards, sanitation workers etc. as a precautionary and preventive measure to break the virus chain. *Gamchas* made by Self Help Groups under HCL's CSR Livelihood Programmes were distributed among the contract labourers to be used as face masks. HCL team has also extended support to the migrant labourers arriving at the local stations.

On socio-economic parameters, India at 73 has indeed come a long way despite many challenges, and so has HCL. In a Corporate context, we have emerged as the sole vertically integrated Copper producer of the country against many odds. With our collective effort and commitment we can take our Company to newer heights. On this Independence Day, let us pledge to offer our very best to build a glorious future for HCL and thus contribute towards building a stronger nation. That will be the true homage to those who have laid down their lives for this country.

Jai Hind.

Arun Kumar Shukla

Chairman and Managing Director