

## Hindustan Copper Limited (HCL)

Hindustan Copper Limited (HCL), a Mini Ratna Government of India (GoI) Enterprise under the administrative control of the Ministry of Mines, was incorporated on 9th November 1967 under the Companies Act, 1956. It was established as a Govt. of India Enterprise to take over all plants, projects, schemes and studies pertaining to the exploration and exploitation of copper deposits, including smelting and refining from National Mineral Development Corporation Ltd. It is the only company in India engaged in mining of copper ore and owns all the operating mining lease of Copper ore and also the only integrated producer of refined copper (vertically integrated company). Major activities of HCL include mining, ore beneficiation, smelting, refining and casting of refined copper metal into downstream products. HCL has four operating units – one each in the States of Rajasthan, Jharkhand, Madhya Pradesh and Maharashtra. HCL is a listed company on BSE and NSE, with 90.00% equity owned by the Government of India.

HCL has multi-location operating units – one each in the State of Rajasthan, Jharkhand, Madhya Pradesh and Maharashtra, as described below:

<b>Plant</b>	<b>Location</b>	<b>Facilities</b>
Khetri Copper Complex	Khetrinagar, Rajasthan	Mining, Ore beneficiation, Smelting, Refining
Indian Copper Complex	Ghatsila, Jharkhand	Mining, Ore beneficiation, Smelting, Refining, Precious metal recovery
Malanjkhand Copper Project	Malanjkhand, Madhya Pradesh	Mining, Ore beneficiation
Taloja Copper Project	Taloja, Maharashtra	Continuous Cast Copper Rod Plant

### The capital structure of the Company as on 31 March, 2013 is as follows:-

a) Authorized Capital:

- i) 180 crore Equity shares of Rs.5/- each - Rs. 900 crore
- ii) 20 lakh preference shares of Rs.1000/- each - Rs. 200 crore

TOTAL: - Rs. 1100 crore

b) Issued, subscribed and paid-up capital

- i) 92, 52, 18,000 equity shares of Rs.5/- each - Rs. 462, 60, 90,000/-

**Present capacities of HCL's Mines and Smelters are given below:**

**Mines**

<u>Location of Mines</u>	<u>Ore Capacity</u> (As per IBM approved Mining Plan)
Khetri Copper Complex, Rajasthan	14.00 lakh tonnes per annum #
Malanjkhand Copper Project, Madhya pradesh	20.00 lakh tonnes per annum
Indian Copper Complex, Jharkhand	4.00 lakh tonnes per annum
<b>Total :</b>	<b>38.00 lakh tonnes per annum</b>

# - includes production capacity of Khetri, Kolihan and Banwas mines (under development)

**Smelters**

<u>Location of Smelters</u>	<u>Metal Capacity</u>
Khetri Copper Complex, Rajasthan	31,000 tonnes per annum*
Indian Copper Complex, Jharkhand	20,500 tonnes per annum
<b>Total :</b>	<b>51,500 tonnes per annum</b>

\* - Smelter plant not operational since December, 2008 due to economic reasons.

**Wire Rod Plant**

<u>Location of Plant</u>	<u>Capacity</u>
Taloja Copper Project, Maharashtra	60,000 tonnes per annum

**Geological Reserves:**

Geological reserves (including resources) as per JORC format as on 1.04. 2010 are as under:

Malanjkhand	: 331.59 million MT @1.05 % Cu.
KCC	: 94.87 million MT @ 1.30 % Cu.
ICC	: 196.85 million MT @1.06 % Cu.
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Total	: 623.31 million MT @ 1.05 % Cu

*Out of above 421 million tonne is under "Measured" and "Indicated" category*

**Highlights of 2013**

- i. The Company has paid dividend to its shareholders at the rate of 20% of the equity holding.
- ii. HCL is a Zero debt Company.
- iii. Profit After Tax for financial year 2012-13 of Rs 355.64 crore was best ever since inception
- iv. Ore production of 36.57 lakh tonne in 2012-13 was highest in last 13 years.

- v. HCL was awarded “50 Most Caring Companies of India” in the World CSR Congress 2013 held in Mumbai on February 18, on World CSR Day.
- vi. Rolling out 08 Mine Expansion Projects to quadrupled mine capacity from 3.2 million tonnes to 12.4 million tonnes per annum in the next five years. The Company has obtained Environment Clearance for Malanjkhand Underground Mine project from Ministry of Environment & Forests, Govt. of India in June 2013.

**Physical Performance:**

Particular	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
<b>Production:</b>						
Ore (Lakh tones)	29.83	32.05	36.03	34.79	36.57	38.26
Metal in concentrates (MIC) (tonnes)	27589	28202	31683	31378	29285	32276
Cathode (tonnes)	30036	17516	24001*	28358*	24210*	23136*
Continuous Cast Rod Wire Rod(tonnes)	51777	41999	22993	26310	20368	23090

\* includes tolled cathodes.

**Financial performance (Rupees in crore) :**

Particular	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14 (upto Dec.,13)
Turnover:	1349.10	1429.85	1257.58	1638.00	1475	1073.76
Net profit Before Tax	5.48	215.84	335.21	472.92	403.61	185.06
Net profit After Tax	-10.31	154.68	224.10	323.44	355.64	149.54

**Corporate Plan – Vision 2020**

The new Corporate Plan and Vision 2020 were adopted by the Company in 2009-10. The new Vision Statement of the Company is:

**Vision:**

To strive to be a leading metal mining company and maximize total shareholder return by sustainably finding, developing and mining copper ore and such other geologically associated minerals.

**Mission:**

- ◆ To achieve sustainable growth in business through optimum & efficient use of existing resources and assets.
- ◆ To achieve rapid expansion of mining capacity through expansion of existing mines, re-opening of closed mines and green field projects.
- ◆ Detailed exploration of existing mines and new mining leases to expand mining capacity.
- ◆ To enhance the value of the Company by focusing on performance improvement.
- ◆ To assimilate state-of-the-art technology in exploration, mining and beneficiation of ores for competitive advantage.
- ◆ To strive for continuous improvement in productivity and energy to bring at par with the best internationally.
- ◆ To continue innovation through research & development.

**Growth Strategy:**

The Company's growth strategy is to expand the mine and concentrate capacity and carry out detailed exploration of existing as well as green field deposits. Successful implementation of the mine expansion projects and commercial exploitation of green field projects will also reduce country's dependence on imported copper concentrate.

**Specific Goals:**

1. Enhancing mining output from current level of 3.4 million tonne per annum to 12.4 million tonne per annum by 2017 through by augmenting mining capacity of existing mines, opening of new mines as well as reopening of closed mines.
2. Pursuing Greenfield copper mining leases within the country and investment in detailed exploration with a view to speed up commercial exploitation in a time bound manner.
3. Acquiring new assets in copper, gold and other base metals in India and other geographies.
4. Forging strategic alliances for acquisition of copper and base metal deposits abroad through joint ventures and / or other mutually agreed business models.
5. Promoting sustainable development for maintenance of ecological balance and healthy environment in the areas around Units of HCL.
6. Take proactive measures to discharge its Corporate Social Responsibility.

**On-Going Projects:**

HCL is implementing its mine expansion projects to enhance its mine production from current level of 3.4 million tonne per annum to 12.41 million tonne per annum in the next 5 years. A brief detail of the expansion scheme is given below:

No	Mine	Capital Expenditure Layout (Rs crore)	Location	Capacity (million tonne)	
				Current	After Expansion
1	<u>Malanjkhand Mine</u> – Development of Underground mine under existing open cast mine	1856	Malanjkhand, M.P	2.0	5.2 (underground)
2	<u>Khetri Mine</u> - Expansion of existing Underground mine	167	Khetri , Rajasthan	0.5	1.0
3	<u>Kolihan Mine</u> - Expansion of existing Underground mine	274	Khetri , Rajasthan	0.5	1.5
4	<u>Surda Mine</u> - Expansion of existing Underground mine	219	Ghatsila, Jharkhand	0.4	0.9
5	<u>Rakha Mine</u> - Re-opening of closed Underground Mine	316	Ghatsila, Jharkhand	Nil	1.5
6	<u>Kendadih Mine</u> - Re-opening of Underground Mine	94	Ghatsila, Jharkhand	Nil	0.21
7	<u>Banwas Mine</u> Development of new underground mine	92	Khetri , Rajasthan	Nil	0.6
8	<u>Chapri-Sideshwar</u> Development of new underground mine	417	Ghatsila, Jharkhand	Nil	1.5
	<b>Total</b>	<b>Rs 3435 cr.</b>		<b>3.4</b>	<b>12.41</b>

### Marketing Policy:

The marketing policy has been re-oriented to improve transparency and serve the small customer across the country. The gap in the premium big and small customer has been considerably reduced and marketing policy is web hoisted to maintain transparency and encourage smaller customers to buy directly from HCL. The customers can monitor the order booking status and can view HCL's price circulars. Bye-products of the company, like sulphuric acid, copper sulphate and others which are being sold through e-auction. A number of purchase options of LME, such as daily cash settlement price (CSP), weekly, fortnightly and monthly average CSP and real time booking at LME linked process has been made available to the customers.

## **Sustainable Development**

HCL adheres to the sustainable development requirement as per the guidelines and policy of the Department of Public Enterprises (DPE). Sustainable Development Policy of HCL is approved by the Board of the Company and is reviewed every quarter. Following projects are implemented under Sustainable Development Plan for the 2013-14:

- i. Rain water harvesting at Ghatsila and Khetri Copper Complex.
- ii. Effluent water treatment for water recycling and zero discharge from Malanjkhand Copper Project (MCP).
- iii. Covering of top soil and Plantation at MCP waste rock dump
- iv. Workshop on Sustainable Development – 3 Nos.
- v. Installation of 25 Nos. of Solar Street Light at Malanjkhand and Ghatsila units.

## **Corporate Social Responsibility (CSR):**

HCL embraces the principles of United Nations Global Compact (UNGC). HCL's CSR Policy revolves round the Principles laid down in the Millennium Development Goals (MDGs) and Targets.

Realigning its CSR approach with the DPE Guidelines, a fresh need-assessment survey was conducted to identify Need-Based CSR projects for financial year 2013-14 targeting communities in the periphery of Company's mining units. The plan made provisions to address livelihood, agriculture/horticulture/plantation, veterinary services, improved health and sanitary practices, infrastructure development, drinking water & water resource development program, to fit in a Rs. 7.1 crore budget.

**Further details about the company and its operations can be obtained from its website [www.hindustancopper.com](http://www.hindustancopper.com)**