

Cabinet approves issue of fresh equity to the extent of 15% of the paid up equity capital by Hindustan Copper Limited

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The Cabinet Committee on Economic Affairs, chaired by the Prime Minister Shri Narendra Modi has given its approval for issue of fresh 13,87,82,700 equity shares to the extent of 15% of paid up equity capital efface value of Rs. 5/- each by Hindustan Copper Limited(HCL) through the Qualified Institutions Placement (QIP) route as per SEBI and other applicable guidelines.

As a result, Gol shareholding in HCL will come down from 76.05% to 66.13%. Further, the paid-up share capital of HCL will increase from the present Rs. 462.61 crore to Rs. 532crore. HCL will use the proceeds of QIP to meet its expansion/capex plan.

Impact:

The raising of fund is essential for HCL's expansion plans to achieve production level of around 1.90 lakh tonnes of metal in copper concentrate and thus meet around 30% of the refined copper demand of the country.

The proposed expansion plan would create employment opportunities for 9300 persons approximately.

Expansion projects of HCL are located in the States of Madhya Pradesh, Rajasthan and Jharkhand.

Background:

Hindustan Copper Limited (HCL) is a Central Public-Sector Enterprise (CPSE), Mini Ratna (Category-I) Schedule-A company. HCL is the only company in India engaged in mining of copper ore, beneficiation, smelting & refining and downstream products. HCL is listed on the BSE and NSE. Increasing the mining capacity of HCL is essential to reduce dependence on import of copper by the country. HCL aims at enhancing its mining capacity around 6 times from its present production capacity to reach 202 lakh tonnes in next six years.

AKT/SH

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