

Hindustan Copper Limited
PRESS RELEASE

CCEA gives wings to HCL mine expansion plan

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. HCL owns all the copper mines in the country.

Presently HCL meets 4% of the country's requirement of copper. HCL aims at enhancing its capacity 6 times from its present production capacity to 20 million tonne per year. The capex requirement of the above mine expansion plan is Rs. 5500 crores which is spread over next 6 years. Besides, Rs. 175 crores will also be spent for exploration activities spread over three years.

This will lead to increase the availability of copper raw material from current 4% to 30% of the Country's demand. Increasing the mining capacity of HCL is essential to reduce dependence on import by 25% of copper mineral by 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.

Cabinet Committee on Economic Affairs, meeting chaired by the Prime Minister Shri Narendra Modi on 1st Aug 2018 has given its approval for issue of fresh 13,87,82,700 equity shares to the extent of 15% of paid up equity capital of face value of Rs. 5/- each by HCL through the Qualified Institutions Placement (QIP) route as per SEBI and other applicable guidelines.

Consequently, Govt shareholding in HCL will come down from 76.05% to 66.13%. It will also help Govt to meet the statutory Minimum Public Shareholding guidelines. Further, the paid-up Share Capital of HCL will increase from the present Rs. 462.61 crore to Rs. 532.00 crore.

HCL will use the proceeds of QIP to meet its expansion/capex plan. There is no budgetary support for the expansion plan.
