

**GOVERNMENT OF INDIA
MINES
LOK SABHA**

UNSTARRED QUESTION NO:144
ANSWERED ON:25.07.2006
RAISING OF FUNDS BY BALCO
Dubey Shri Chandra Shekhar

Will the Minister of MINES be pleased to state:

- (a) whether the Government has received any proposal from the Strategic Partner of BALCO for raising loan from the Government/Private Financial Institution;
- (b) if so, the purpose and the name of Financial Institution from where the loan is proposed to be taken;
- (c) whether BALCO was a profit making PSU and the Company was having huge Cash Reserve Surplus in their kitty at the time of its strategic sale;
- (d) if so, the present status of Cash Reserve surplus available with the Company; and
- (e) the reasons for raising such loan by BALCO?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF MINES (DR. T. SUBBARAMI REDDY)

- (a) No, Sir.
- (b) Does not arise.
- (c) BALCO made a profit after tax of Rs. 55.89 crores for the year ended 31st March, 2000 i.e. in the financial year prior to the year of disinvestment. As on 31.3.2001 i.e. the year of disinvestment, BALCO had a term deposits of Rs. 243 crores.
- (d) The term deposits have been utilised for the expansion project forming part of the internal accruals of Rs. 860 crores of means of financing of the expansion project.
- (e) BALCO has raised loans for meeting the means of financing of the expansion project.