

GOVERNMENT OF INDIA

MINISTRY OF MINES

RAJYA SABHA

QUESTION NO 06.12.2010

ANSWERED ON

DISINVESTMENT OF HINDUSTAN COPPER LIMITED .

2875

Shri Rajkumar Dhoot

Will the Minister of COALMINES be pleased to state :-

(a) whether Government proposes to go in for disinvestment in the Hindustan Copper Limited;

(b) if so, the details thereof and the reasons therefor;

(c) what is the procedure proposed to be adopted for disinvestment in the company; and

(d) the annual profit earned by the company and dividend paid to Government during the last three years?

ANSWER

THE MINISTER OF MINES AND MINISTER OF DEVELOPMENT OF NORTH EASTERN REGION

(SHRI B.K. HANDIQUE)

(a) Yes, Sir.

(b) The Cabinet Committee on Economic Affairs in its meeting held on 15.06.2010 has approved the disinvestment of 10% paid up equity capital of Hindustan Copper Limited (HCL) out of Government of India's shareholding along with issue of fresh equity of equal size by the Company in the domestic market. Presently, the paid up equity capital of HCL is Rs. 462.609 crores. The President of India is holding 99.59% of the equity and remaining 0.41% held by the others. Post-issue, the President of India's holding in HCL will get diluted from its current level of 99.59% to 81.44%. The step of disinvestment is taken to meet the mandatory requirement of SEBI for 10% public share holding as HCL is a listed company on stock exchange. Also, the capital raised by HCL through Further Public Offer (FPO) will primarily be used to fulfill the investment need of Hindustan Copper Limited to enhance copper ore production capacity from current level of 3.15 million tonne per annum to 12.0 million tonne per annum in the next 5-7 years.

(c) The procedure proposed to be adopted for disinvestment/issue of fresh equity of the Company is by public offer of shares in the domestic market through book building as per the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.

(d) The annual profit earned by the company and dividend paid to Government during the last three years are as below:-

(Rs. in crore)

2009-10 2008-09 2007-08

Profit/(Loss) before tax 215.84 5.48 302.49

Profit/(Loss) after tax 154.68 (10.31) 246.46

Dividend (%) Nil Nil Nil