

Easy Loan from Banks or other Financial Agencies

A German financing concern KFW has great admiration for this PSU since it has good cash resources, reserves etc. Hence loan sanctioning of these organization very much depend on the cash in hand management of the organization.

Period of Slump

Any slump in market trend or production can be overcome by this cash in hand.

Cash Discount

Full payment enables us to get Cash Discount. When we are investing in terms of crores of rupees this discount will figure out to be large and worthy.

This adds to profitability of the concern.

Hence reserve margin or cushion working capital is a must for facing any situations arising to affect the production.

Our goal is to achieve smooth running of the organization. Hence these motives are adhered to with all significance.

Optimum Capital Structure

Gaining firm ground in the financial aspects, an organization is bound to have a sound Capital Structure.

Simplicity

Our capital structure is made simple and free from complication or suspicion. Every ordinary share holder can understand and appreciate.

Further the financial plan has been drafted in terms of the purpose for which the enterprise is organized.

Though liberal, it does not shoot at the horizon. With definite goal in mind and with definite plans to achieve them, the capital structure has been formed.

Foresight

With Mine-I and Thermal Station I expansion schemes, capital structure was framed appropriately with good foresight.

The scopes of operations were dealt in depth.

The needs of today and needs of tomorrow were kept in view very clearly.

Life Extension Program of Thermal Station was expected to fetch several millions of revenue. Hence top priorities were given to these projects for investment.

Intensive Use

All care was taken that there should neither be surplus nor deficit of capital and procurement of adequate capital was aimed at and no stone was left unturned to make best use of it.

Or else to raise funds it has to go for issue of shares or other debts.

Also another economy measure taken is that this PSU has not obtained any loan from the government.

It has also not accepted Fixed Deposits from the Public so far. Because it was felt that it would be a burden to pay interest and repayment problem in due course.

Extractions from 40th Annual Report of this PSU:

- Share capital: Rs. 2000 crores
- Subscribed and paid up capital: Rs. 1796.78 crores
- Disinvestment of shares: Rs. 104.37 crores to Nationalized Banks, Mutual Funds etc.
- Offer of company's shares: Rs. 4, 81, 54,600 crores of government of India holding to the employees (18,870 employees 27, 14,200 shares).
- Issue of bonds: Rs 1019.68 crores
- Loan from government: nil
- Fixed deposit: nil
- All efforts have been taken to reach an Optimum Capital Structure to run the show smoothly.
-
- It has totally avoided taking loan from the Government and it is managing with its own resources dexterously and prudently.
