

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:7882
ANSWERED ON:17.05.2002
DIVIDEND PAID BY PUBLIC SECTOR UNDERTAKINGS
NARESH KUMAR PUGLIA

Will the Minister of FINANCE be pleased to state:

- (a) whether there is a directive from the Government that public sector undertakings earning pre-tax profits must pay dividend to the general revenues;
- (b) if so, the details thereof;
- (c) the names of public sector undertakings earning pre-tax profits which have not paid dividend to the general revenues during the last three years, year-wise; and
- (d) the action the Government have taken against these public sector undertakings?

Answer

MINISTER OF STATE FOR FINANCE (SHRI GINGEE N. RAMACHANDRAN)

(a) & (b): Ministry of Finance has issued instructions from time to time to all Ministries/Departments to ensure that PSUs under their administrative control pay dividend to the Government at rates prescribed. As per extant instructions, all profit-making PSUs are required to pay dividend of at least 20% of Government's equity investment or 20% of post-tax profit, whichever is higher. In the case of oil, petroleum, chemicals and other infrastructure industries, the dividend pay out should be at least 30% of post tax profits.

(c) As per Report of the Comptroller & Auditor General of India for the year ended March, 2001, the profit earning PSUs which have not declared dividend during the last three years are:

Year No. of profit earning PSUs
 which have not declared dividend

1998-1999	48
1999-2000	40
2000-2001	52

(d) To ensure compliance of Government instructions on the subject, Secretaries of the administrative Ministries/Departments have been urged to review the position of dividend payout for the PSUs within their administrative control. Parliamentary Committee on Public Undertakings would also examine the Report of the Comptroller & Auditor General of India mentioned at (c) above and make suitable recommendations to the Parliament on this issue.