

**GOVERNMENT OF INDIA
HEAVY INDUSTRIES AND PUBLIC ENTERPRISES
LOK SABHA**

UNSTARRED QUESTION NO:5008

ANSWERED ON:26.08.2010

CAPITAL INVESTMENT IN PSUS

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Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:

- (a) the total investment made in the Public Sector Undertakings (PSUs) during the past three years;
- (b) the percentage of profits being earned therefrom by the PSUs during the said period;
- (c) whether the Government has made any assessment regarding the capital investment in the private sector and the percentage of returns therefrom; and
- (d) the reasons for the wide disparity in the profits earned by the public and private sector?

Answer

THE MINISTER OF STATE FOR HEAVY INDUSTRIES & PUBLIC ENTERPRISES(SHRI ARUN YADAV)

(a) & (b): As per Public Enterprises Survey (2008-09) that was laid in the Parliament on 25.2.2010, the details of Capital Investment (equity + long term loan) in Central Public Sector Enterprises (CPSEs) and percentage of profit in relation to capital investment, during the last three years, are given below:

Years	Capital Investment (Rs. crore)	Total Profit (Rs. crore)	Profit as %age of Capital Investment
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2008-09	528951	84228	15.92
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2007-08	455367	81314	17.86
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2006-07	420771	81055	19.26
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(c) & (d): The Central Statistical Organisation (Government of India) makes estimation of capital investment in the private sector, which includes both the private corporate sector and the (private) household sector. A comparison between the profitability of the private corporate sector (based on the RBI Monthly Bulletin, December, 2008) and the CPSEs (based on the Public Enterprises Survey, February, 2010) shows that wide disparity does not exist between the profit earned by the public sector and the private sector. While gross profit as a ratio of fixed assets stood at 20.31% in the case of 217 CPSEs in 2006-07, it was 23.21% in the case of 1259 private limited companies during the corresponding year.