

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

UNSTARRED QUESTION NO:2607  
ANSWERED ON:29.03.2012  
ANNUAL DIVIDENDS BY PSUS  
Pal Shri Jagdambika

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

- (a) whether the Government has asked the Public Sector Undertakings (PSUs) to enhance their annual dividend to the Government so as to mitigate rising fiscal deficit;
- (b) if so, the details thereof;
- (c) whether the PSUs have also been asked to increase their investment in infrastructure; and
- (d) if so, the likely impact of such directives on the financial performance of the PSUs?

**Answer**

THE MINISTER OF HEAVY INDUSTRIES & PUBLIC ENTERPRISES (SHRI PRAFUL PATEL)

- (a) & (b): As per extant guidelines, profit making Central Public Sector Enterprises (CPSEs) are required to declare a minimum dividend on equity of 20% or a minimum dividend pay-out of 20% of post tax profits, whichever is higher. The minimum dividend pay-out in respect of Oil, Petroleum, Chemical and Infrastructure Sector should be 30% of the post tax profits. Dividend received by the Government from CPSEs forms part of non-tax revenue receipts of the Government and thus contributes towards reducing the fiscal deficit.
- (c) & (d): 17 CPSEs have projected an investment of Rs. 176398 crore during 2012-13 in domestic sector and in overseas assets. These investments are likely to have a positive impact on the financial performance of the CPSEs in the long run.