

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

UNSTARRED QUESTION NO:3446  
ANSWERED ON:13.12.2012  
PROFIT SHARING ARRANGEMENT BETWEEN GOVERNMENT AND PSUS  
Maharaj Shri Satpal

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

- (a) whether there is any profit sharing arrangement between the Government and Public Sector Undertakings (PSUs);
- (b) if so, the details thereof, State-wise;
- (c) whether the profit earned by PSUs are utilised for their modernization or capacity enhancement; and
- (d) if so, the details thereof?

**Answer**

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

(a) & (b) There is no profit sharing arrangement between the Central Government and Central Public Sector Enterprises (CPSEs). Board of CPSEs are expected to declare dividends out of their profits as per Government guidelines issued from time to time and provisions of Companies Act, 1956. Central Government also receive dividend as shareholder out of the dividend so declared by CPSEs.

(c) & (d) Decisions about modernization or capacity enhancement are taken by CPSEs on a case-to-case basis depending upon their corporate plan. Detail of such modernization or capacity enhancement projects are not maintained centrally.