

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

UNSTARRED QUESTION NO:1085

ANSWERED ON:29.11.2012

STEPPING UP OF INVESTMENT BY PSUS

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

- (a) whether the Government is looking at the top twenty-five public sector companies as cash cows to bail it out of a tough economic conditions and reduce the fiscal strain due to its failure to check unproductive spending;
- (b) if so, the details thereof;
- (c) whether companies that do not deploy the surplus funds would have to pay a special dividend;
- (d) if so, the instructions issued by the Union Government to the Public Sector Undertaking (PSUs) in this regard;
- (e) whether the Government is prompting PSUs to step up investment; and
- (f) if so, the details thereof?

Answer

MINISTER OF HEAVY INDUSTRY AND PUBLIC ENTERPRISES (SHRI PRAFUL PATEL)

- (a) and (b) The Prime Minister has recently interacted with Chief Executives of various Central Public Sector Enterprises (CPSEs) and it was emphasized that domestic demand is the driver for investments. The CPSEs have been asked to use their surplus funds for benefits of their company as well as for the economy.
- (c) and (d):The Department of Public Enterprises has not issued any guidelines on payment of special dividends by CPSEs.
- (e) and (f) The issue of capital investment has been included as a parameter in the Memorandum of Understanding signed by 17 large CPSEs for the year 2012-13.