

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:282

ANSWERED ON:06.12.2013

PAYMENT OF DIVIDEND

Joshi Dr. Murli Manohar;Yadav Shri Dinesh Chandra

**Will the Minister of FINANCE be pleased to state:**

(a) whether his Ministry has issued any instruction to the Public Sector Undertakings (PSUs) relating to payment of dividend in the current financial year; and

(b) if so, the details thereof and response thereto, PSU-wise?

**Answer**

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (Shri Namo Narain Meena)

(a) & (b) Every year extant instructions, in respect of payment of dividend by the PSUs, are re-iterated to Ministries/Departments to follow. In terms of these instructions all profit-making Public Sector Enterprises (PSEs), which are essentially commercial enterprises, subject to specific guidelines issued from time to time, will declare a minimum dividend on equity of 20 percent or a minimum dividend payout of 20% of post-tax profits (PAT), whichever is higher, subject to availability of disposable profits. In respect of Oil, Petroleum, Chemical and other infrastructure sectors this amount would be 30%. Besides, profit making companies with large cash surpluses and without firm plans for reinvestment shall declare special dividends. Accordingly, these instructions were also circulated to all Ministries/ Departments as part of Budget Circular 2014-15.