

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

UNSTARRED QUESTION NO:3641  
ANSWERED ON:13.02.2014  
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;
- (c) whether the funds for the modernisation or capacity enhancement as needed by PSUs comes from the profit earned by the company or is given through a separate grant; and
- (d) if so, details thereof ?

**Answer**

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

(a) to (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 applicable laws. Total dividend declared by CPSEs is Rs. 33223 crore, Rs. 35700 crore and Rs. 42627 crore for the financial year 2009-10, 2010-11 and 2011-12 respectively.

(c) to (d) Funds for the modernization or capacity enhancement needed by PSUs form part of plan out-lay. Plan out-lay, in turn, comprises Internal Resources, Budgetary Support (from Government) and Extra-budgetary Resources (EBR). Internal Resources of PSUs are generated mainly through profits. Budgetary Support to PSUs, mainly comprises of Government Equity and long Term Loans. In exceptional circumstances, it may be given as grants. The figures for plan outlay of PSUs / CPSEs for three years are given at Annex.