

**GOVERNMENT OF INDIA
MINISTRY OF FINANCE**

**DEPARTMENT OF ECONOMIC AFFAIRS
LOK SABHA**

**UNSTARRED QUESTION NO. 1233
TO BE ANSWERED ON FRIDAY 22nd December, 2017
[1 Pausha, 1939 (SAKA)]**

'Dividend Targets for CPSUs'

**No. 1233, SHRI M. CHANDRAKASI
 SHRI SANKAR PRASAD DATTA**

Will the MINISTER OF FINANCE be pleased to state:

- (a) the details of overall profit/loss incurred by the Union Government on running Central Public Sector Undertakings (CPSUs) during the last five financial years;
- (b) the details of total amount of dividend/ profit earned by the CPSUs during the said period;
- (c) whether the Government has set any target for CPSUs for paying dividends to Union Government for the financial year 2017-18 and if so, the details thereof; and
- (d) whether the Government has issued any instructions to CPSUs for higher dividend and if so, the details thereof?

ANSWER

**THE MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI PON. RADHAKRISHNAN)**

- (a) and (b) As per available information, details of overall Net Profit of Central Public Sector Enterprises (CPSEs) and amount of Dividend received by the Union Government from CPSEs during financial years 2011-12 to 2015-16 are as under:

(₹ in crore)

Year	2011-12	2012-13	2013-14	2014-15	2015-16
Net Profit	98246.00	114981.00	128295.00	102866.00	115767.00
Dividend to Government	28489.92	13354.37	25921.29	31691.91	30616.20

- (c) The Union Government has targeted ₹ 67529.24 crore on account of 'Dividends from Central Public Sector Enterprises and other investments' for the year 2017-18.

(d) Government of India's instructions on the subject inter-alia provides that every CPSE would pay a minimum annual dividend of 30% of PAT or 5% of the net-worth, whichever is higher subject to the maximum dividend permitted under the extant legal provisions. Nonetheless, CPSEs are expected to pay the maximum dividend permissible under the Act under which a CPSE has been set up, unless lower dividend proposed to be paid is justified after the analyses aspects viz. (i) Net-worth of the CPSE and its capacity to borrow; (ii) Long-term borrowings; (iii) Capital Expenditure (CAPEX) / Business Expansion needs; (iv) Retention of profit for further leveraging in line with the CAPEX needs; and (v) Cash and bank balance.
