

GOVERNMENT OF INDIA
MINISTRY OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES
DEPARTMENT OF PUBLIC ENTERPRISES

LOK SABHA

UNSTARRED QUESTION No. 551

TO BE ANSWERED ON 25.06.2019

Agreement between Government and PSUs

551. SHRI RAMCHARAN BOHRA:

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

- (a) whether any agreement has been signed between the Government and Public Sector Undertakings (PSUs) on distribution of profits;
- (b) if so, the details thereof;
- (c) whether the funds required for modernisation or capacity building of PSUs are met out of their accrued profits or being given as a separate grant; and
- (d) if so, the details thereof?

ANSWER

THE MINISTER OF HEAVY INDUSTRIES & PUBLIC ENTERPRISES

(SHRI ARVIND GANPAT SAWANT)

(a) & (b): Department of Public Enterprises (DPE) has not entered into any agreement with the Central Public Sector Enterprises (CPSEs) regarding distribution of profits. However, the guidelines on Capital Restructuring of Central Public Sector Enterprises issued by Department of Investment and Public Asset Management (DIPAM), Ministry of Finance on 27th May, 2016 provides for profit sharing by way of issuing dividend, buy back of shares, issuing bonus share etc. by CPSEs.

(c) & (d): The Boards of CPSEs take decisions regarding the fund requirement and its sourcing for modernization, capacity building, etc. with the approval of the concerned competent authority. The various means of meeting the requirement of funds for modernization, capacity building, etc. of CPSEs include internal profits, grant or loan from the Government, commercial borrowing, etc. Further, the CPSEs are under the administrative control of their respective Ministries/Departments and data on sourcing of funds for modernization/ capacity building etc. is maintained by the concerned Ministry/Department.
