

**GOVERNMENT OF INDIA
POWER
LOK SABHA**

UNSTARRED QUESTION NO:3502
ANSWERED ON:16.12.2005
DIVIDEND BY NTPC
Patil Shri Balasaheb Vikhe

Will the Minister of POWER be pleased to state:

- (a) whether in spite of good performance results and profits declared by National Thermal Power Corporation Ltd., the company has declared 24% dividend to its shareholders;
- (b) if so, the reasons therefor;
- (c) whether the Government proposes to review its decision; and
- (d) if not, the reasons therefor?

Answer

THE MINISTER OF INFORMATION & BROADCASTING AND MINISTER OF PARLIAMENTARY AFFAIRS(SHRI PRIYA RANJAN DASMUNSI)

(a) to (d) : National Thermal Power Corporation (NTPC) paid the highest dividend during the year 2004-05 as compared to the dividends paid during the years 2002-03 and 2003-04. Details of the dividend paid by NTPC during the last three years is as follows:

	2004-05	2003-04	2002-03
Dividend	19790	10823	7080
(Rs. in Million)			
% of Equity	24.00%	13.85%	9.06%

NTPC has recommended the dividend after taking into consideration the internal resources required to be retained for funding of the equity portion of its capacity expansion plan. As per the Government of India guidelines, the minimum dividend payout by PSUs in respect of infrastructure sector should be 30% of Post Tax profits. In the year 2004-05, NTPC has paid 34.08% of Post Tax profits. Therefore, there is no ground for reviewing the decision of NTPC.