Ministry of Finance

Finance Minister reviews capital expenditure programme and status of dividend distribution of central public sector undertakings and authorities
FM: “Capital expenditure programme for the current year completely on track for achieving the capital expenditure of Rs. 3.85 lac crore budgeted in 2017-18.”

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The Union Finance Minister Sh Arun Jaitley today reviewed capital expenditure programme and status of dividend distribution of central public sector undertakings and authorities with the Secretaries of concerned Ministries/Departments and CMDs of major CPSEs, including Petroleum, Defence, Power, Road Transport, Railways, Coal, Mines, Steel, Atomic Energy. Finance Secretary, Shri Ashok Lavasa and Secretary, Economic Affairs, Shri Subhash Chandra Garg were present in the meeting.

Finance Minister, while addressing the Secretaries and CMDs, stressed that the CPSEs may not only complete their budgeted capital expenditure but should also look to aggressively push capital expenditure in the interest of boosting investment in Indian economy. Secretaries/senior officers from the 10 Ministries and the CMDs/Directors (Finance) of the CPSUs apprised the Finance Minister that their capital expenditure programme for the current year are completely on track for achieving the capital expenditure of Rs. 3.85 lac crore budgeted in 2017-18. Some PSUs informed that they were planning to increase their capital expenditure programme, which in the aggregate, might be of the order of additional Rs. 25,000 crore. Finance Minister, while appreciating the commitments of the Ministries and CPSUs, assured that the Government would make available adequate resources but no slackness under any circumstances would be acceptable. Finance Minister indicated that the capital expenditure programme would again be reviewed at the end of November/early December.

In the discussions for raising capital investments, it also came up to attention that most PSUs have very low or no debt on their balance sheet which is reflected in their low debt to equity ratios. CPSEs were, therefore, asked to raise more debt and not to rely entirely on cash and free reserves for finding new investments and capital expenditure. The CPSEs which have free reserves and surplus cash were asked to consider declaring liberal dividends so as to promote more productive use of such resources for financing much needed physical and social infrastructure. Finance Secretary advised the CPSEs to release outstanding payments expeditiously to help improve the liquidity in the market. Secretary, Economic Affairs advised the CPSEs to consider raising more resources through innovative financing arrangements like InvITs, ToT, monetization of assets, to undertake more projects of capital nature.

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