



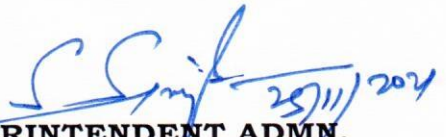

**OFFICE OF DIRECTOR SECONDARY EDUCATION HARYANA
PANCHKULA**

Order No. 10/2-2021 Admn(4)

Dated, Panchkula the 26/11/2021

A copy of letter No. 37/42/21/ARO/HBPE(FD) Dated 08.11.2021 received from Additional Chief Secretary to Govt., Haryana regarding Guidelines for minimum rate of return on the share capital contributed by the State Government is forwarded to the following for information and necessary action:-

1. Director Elementary Education Haryana, Panchkula.
2. Director SCERT Haryana, Gurgram.
3. All District Education Officer's in the State.
4. All District Elementary Education Officer's in the State.
5. All DIET's in the State.
6. Registrar Education (Secondary).
7. All the Superintendents (HQ).
8. Superintendent Admn. (Pry).
9. PS/DSE.
10. PA/ Additional Director Model Sanskriti Schools.
11. PA/Additional Director Admn.-I, II.
12. PA/Additional Director Academic.
13. IT Cell (HQ) for website.


SUPERINTENDENT ADMN.
for DIRECTOR SECONDARY EDUCATION
HARYANA PANCHKULA


6058 Ad (w)
17/11/21

No. 37/24/21 /ARO/HBPE(FD)

From

The Additional Chief Secretary to Government Haryana,
Finance Department (HBPE).

To

All Heads of Departments,
All commissioners of Ambala, Gurgaon, Hisar and Rohtak Divisions.
The Managing Directors/Chief Executives
Chief Administrators of All Corporations/Companies/ Boards,
Co-Operative Institutions.

Dated, Chandigarh the 8th November, 2021

Subject:- Guidelines for minimum rate of return on the share capital contributed by the State Government.

Sir/Madam

The State Government of Haryana had issued guidelines for minimum rate of return on the share capital contribution made by the State Government at a minimum rate of 4% (copy enclosed).

2. The data for the year 2019-20 indicates that only one Public Sector Undertaking namely Haryana State Warehousing Corporation has declared and paid dividend during the FY 2019-20. No other Public Sector Enterprises has paid dividend to the State Government.

3. In view of the above all the Public Sector Enterprises which are in profit are directed to compulsorily declare and pay dividend to the State Government on the amount contributed by it in the form of share capital to their equity.

Yours faithfully

[Signature]
Financial Advisor, HBPE
for Additional Chief Secretary to Govt. Haryana,
Finance Department.

A copy is forwarded to all Additional Chief Secretary/Principal Secretary to Government Haryana for information and necessary action.

[Signature]
Financial Advisor, HBPE
for Additional Chief Secretary to Govt. Haryana,
Finance Department.

To

All the Additional Chief Secretary/Principal Secretary
to Government Haryana.

U.O.No. 37/24/21/ARO/HBPE(FD) Dated, Chandigarh the 8th November, 2021

08.11.2021

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ADP

~~AD/Admn~~

[Signature]

17/11/2021

S. Admn
SSP 17/11/2021
ADP

O/o ACSSE

No. 47308

Dt. 8.11.2021

No. 37/24/94/ARO/HBPE(FD)

From

The Member Secretary,
Haryana Bureau of Public Enterprises,
Finance Department, New Sectt. Building,
Sector-17, Chandigarh.

To

All Heads of Departments,
All Commissioners of Ambala, Gurgaon,
Hisar and Rohtak Divisions,
The Managing Directors/Chief Executives,
Chief Administrators of All Corporations/Companies/
Boards/Co-operative Institutions.

Dated, Chandigarh, the 29th October, 2003

Subject : Guidelines for minimum rate of return on the share capital contributed by the State Government.

Sir,

I am directed to invite your kind attention to the subject noted above and to enclose a copy of guidelines for minimum rate of return on the share capital contributed by the State Government for information and necessary action. These guidelines have the approval of Hon'ble Chief Minister, Haryana.

Kindly acknowledge receipt of this communication.

Yours faithfully,

Sd/-
Management Consultant,
for Member Secretary, Haryana Bureau of Public
Enterprises, Finance Department.

A copy is forwarded to all Financial Commissioners/Commissioners & Secretaries to Govt., Haryana for information & necessary action.

Sd/-
Management Consultant,
for Member Secretary, Haryana Bureau of Public
Enterprises, Finance Department.

To

All the Financial Commissioners/Administrative
Secretaries to Government, Haryana.

U.O. No. 37/24/94/ARO/HBPE(FD),

Dated, Chandigarh, the 29.10.2003.

Contd...
Encl.

Guidelines for minimum rate of return on the share capital contributed by the State Government.

The State Government has made substantial investments in the Public Sector Undertakings and much of it has been in the form of share capital. The other form in which the direct resource support has been provided by the State Government are loans, grants and subsidies etc. Indirect resource support in the form of guarantees for institutional loans, price preference in certain cases, declaration of certain enterprises as an approved source for supply to various Government Departments has also been provided from time-to-time. As per the report of the Comptroller & Auditor General of India for the year 31st March, 2002 the total investment in twenty four Public Sector Undertakings was to the tune of Rs. 8471.33 crores. It has been pointed out that investments made in these enterprises has not yielded any return to the State Government in the form of dividends and the return is almost negligible. Further no policy for payment of minimum dividend has been formulated by the State Government. It has been pointed out in the report that eight State Public Enterprises earned profit for two or more successive years but these Public Sector Undertakings did not declare dividend during the respective financial year.

2. Dividend is the return on the investment made in the share capital of the Company and it is distinct from the return of the borrowed capital which is in the form of interest. The term dividend has been clearly defined in the Companies Act 1956 and the payment of dividend is governed by the provisions of Section 205, 205-A, 206-B, 205-C, 206, 206-A and 207 of the Companies Act. These are also governed by the Companies (transfer of profit to reserve) Rules, 1975 and the Companies (Declaration of dividend out of reserve) Rules, 1975.

3. The issue regarding fixation of minimum rate of dividend has been under consideration of the Government for quite some time. The policy for payment of minimum return of 4% on the share capital contributed by the State Governments already in existence in some other states since nineties. To enable the Government to get return on the contributions made by the State Government in various Public Sector Enterprises, the following guidelines have been formulated :-

- (i) All the Public Sector Undertakings whether registered under Companies Act/ Co-operative Societies Act/any other Statutory Act must ensure the minimum return of 4% on the paid up share capital contributed by the State Government. In case of Public Sector Undertaking which earn relatively larger amount of profit, it should be ensured that such Public Sector Undertakings declare a higher rate of dividend/return ranging from 10 percent to 15 percent depending upon their profitability. The progress/performance in this regard should be monitored by the respective Administrative Department.
- (ii) The dividend should be recommended by the Board in their Board of Directors meeting for the relevant financial year after consideration and approval of the financial statements.
- (iii) The dividend should be declared only at the Annual General Meeting of the Company after consideration of the balance sheet and profit and loss accounts of the Organisation. Annual General Meeting should be held in accordance with the provisions of Section 166 of The Companies Act which inter alia provides for placing the audited annual accounts in tile Annual General Meeting within a period of six months from the close of the relevant financial year or such extended time as has been laid down in the Companies Act.

- (iv) Some Public Sector Undertakings do not declare dividend for the reason that their accounts have not been finally audited and adopted by the Corporation/Board. In such cases, every effort should be made by the organisation to expedite the finalisation of their accounts so that they may declare dividend and pay Government its share. In case it is likely to take some time, an interim dividend be declared and paid to the State Government subject to final declaration of dividend with the approval of Annual General Meeting.
- (v) As per Companies Act the dividend declared should be paid within a period of thirty days of the declaration after deduction of tax at source if applicable. In case of Public Sector Enterprises registered under the Co-operative Societies Act or any other Statutory Act, the dividend should be paid as per the terms and conditions laid down in their respective Bye laws/Act.
- (vi) In case the Public Sector Undertaking is not able to pay dividend it should intimate the reasons there of in writing, within a period of one month after holding of the Annual General Meeting to Haryana Bureau of Public Enterprises.
- (vii) Nonpayment of dividend/minimum return by the State Public Sector Enterprises would be reviewed by the Government in the Finance Department at the end of the calendar year ending after the relevant financial year.
- (viii) Any further financial support to be provided by the State Government in the future years will depend upon the performance and the minimum return/dividend provided by the Public Sector Enterprise on the State Government investment.
- (ix) The Public Sector Enterprises in the cooperative sector must also ensure that the share capital provided by the State Government is retired well in time in addition to the payment of a minimum return on the State Government investment.

4. The above guidelines laid down will test the performance of the Public Enterprises in term of economy, efficiency, profitability and public good. These guidelines should be made effective from the financial year 2002-2003 as the Annual General Meeting of all the Public Sector Undertakings are likely to be held shortly.
