

Guj's *chha-ratnas* enrich exchequer by Rs144 crore

Despite fall in profit, three PSUs gave Rs42.46 crore as dividend

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The state exchequer will get around 16% higher dividend this year from its 'chcha ratno', or six listed state PSUs. These companies will in total pay Rs144.53 crore as dividend to the state government for the financial year 2009-10, against Rs124.82 crore paid in 2008-09. Of the six companies, Gujarat Mineral Development Corporation (GMDC) will contribute the highest at Rs58.83 crore.

GMDC and two other companies - Gujarat Industrial Power Company Ltd (GIPCL) and Gujarat State Petronet Ltd (GSPL) - have recommended higher dividend for 2009-10 compared to the previous year. On the other hand, three other companies saw their net profits fall by 10% to 50% during the year. Yet, they have maintained dividend at the previous year's level and paid Rs42.46 crore.

The state government holds 74% stake in GMDC. The latter has recommended payment of Rs2.5 per share as dividend for FY10, compared to Rs2 per share paid in the previous year. As the government holds 23.53 crore shares in the company, it will receive Rs58.83 crore as dividend from the company. It may be mentioned here that the profit of the company increased 18% to Rs280 crore in FY10.

GSPL has recommended a dividend of Rs1 per share, leading to a payout of around Rs21.23 crore for 2009-10 to the state government. It had paid a dividend of 75 paise per share for FY09. The PSU could have paid higher dividend as its net profit jumped 235% to Rs413.77 crore in FY10 from Rs123.41 crore in FY09, but decided against doing so to conserve resources for its ongoing expansion plans.

DIVIDEND PAID TO GOVT

PSU	2008-09	2009-10
GMDC	47.06	58.83
GIPCL	19.37	22.01
GSPL	15.92	21.23
GACL	8.09	8.09
GNFC	20.80	20.80
GSFC	13.57	13.57
Total	124.81	144.53

Source: DNA database; Rs in cr

GMDC leads in dividend payment to the state exchequer with a payout of Rs58.83 crore

The state government's power generating company, GIPCL has recommended Rs2.5 per share as dividend, which means that the government will receive around Rs22 crore as dividend for FY10.

On the other hand, three PSUs - Gujarat State Fertilizers & Chemicals Ltd (GSFC), Gujarat Narmada Valley Fertilizers Company Ltd (GNFC) and Gujarat Alkalies & Chemicals Ltd (GACL) - have maintained dividend for FY 2009-10 at the previous year's level. GSFC has recommended payment of Rs4.5 per share as dividend while GNFC and GACL have recommended Rs3.25 and Rs3 per share respectively.

With pressure on margins, especially in fertilizer products, GSFC's net profit fell by 49% to Rs254.47 crore in FY10 while that of GNFC crashed by 45% to Rs123.8 crore.

Jagdish Thakkar, a Vadodara-based broker, said, "It is in the interest of shareholders that well-performing PSUs have recommended higher dividend while the laggards have done well by not cutting on dividend."