

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:2582  
ANSWERED ON:09.12.2005  
INVESTMENT OF PF IN CAPITAL MARKET  
Chaure Shri Babu Hari;Dhotre Shri Sanjay Shamrao

**Will the Minister of FINANCE be pleased to state:**

- (a) whether the Government proposes to invest employees pension fund in the capital market;
- (b) if so, the present position of such proposals alongwith the details thereof;
- (c) whether the Government proposes to allow Foreign Direct Investment (F.D.I.) in the employees pension fund and appoint private funds managers in this area; and
- (d) If so, the details and the current status thereof?

**Answer**

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S. S. PALANIMANICKAM)

(a) and (b): The pattern of investment to be followed by non-Government provident funds, superannuation funds and gratuity funds was notified by the Ministry of Finance vide notifications dated 24th and 29th January, 2005. This, inter-alia, permits investment upto 5% in shares of companies that have an investment grade debt rating from at least two credit rating agencies. However, the investment pattern has not been notified by the Ministry of Labour and Employment as required under paragraph 52 of the Employees` Provident Fund Scheme, 1952. Accordingly, investment of the funds belonging to the employees pension fund in the capital market does not arise.

(c): No, Sir.

(d): Does not arise in view of (c) above.