

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:3636  
ANSWERED ON:16.12.2005  
MUTUAL FUNDS  
Joshi Shri Pralhad Venkatesh

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

- (a) Whether the Government is seriously considering the proposal of permitting leading Mutual Funds including UTI and AMC for investing in 'Fortune-500' companies;
- (b) if so, the details thereof;
- (c) whether the Government has also proposals to permit these mutual funds to invest in Multinational Companies ;and
- (d) if so, the details thereof ?

**Answer**

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

(a) to (d): The mutual funds are permitted to invest in Indian companies, including 'Fortune 500' companies and 'multinational' companies incorporated in India subject to investment restrictions prescribed in the Regulations. However, mutual funds have been permitted to invest in equities of overseas companies, including 'Fortune 500' companies and 'multinational' companies not incorporated in India only if such company is listed overseas and has a shareholding of at least 10% in an Indian listed company. They are also permitted to invest in foreign debt securities in the countries with fully convertible currencies.