

**GOVERNMENT OF INDIA  
HEAVY INDUSTRIES AND PUBLIC ENTERPRISES  
LOK SABHA**

UNSTARRED QUESTION NO:4399

ANSWERED ON:17.12.2009

INVESTMENT OF FUNDS IN SHARE MARKET

Laguri Shri Yashbant Narayan Singh;Yadav Shri M. Anjan Kumar

**Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:**

- (a) whether the Government has formulated any rules for investing funds in share market by the Public Sector Undertakings;
- (b) if so, the details thereof; and
- (c) if not, the reasons therefor?

**Answer**

MINISTER OF THE STATE IN THE MINISTRY OF HEAVY INDUSTRIES & PUBLIC ENTERPRISES (SHRI ARUN YADAV)

(a) to (c): Government have not allowed Central Public Sector Enterprises (CPSEs) to invest their funds directly in share market. Instructions were issued vide O.M. dated 1.11.1995 providing inter-alia that there should be no element of speculation on the yield in respect of investments made by CPSEs. Further, Navratna and Miniratna CPSEs have been permitted vide O.M. dated 31.8.2007, subject to conditions contained therein, to invest in Public Sector Mutual Funds regulated by Securities and Exchange Board of India (SEBI).