

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

UNSTARRED QUESTION NO:1989
ANSWERED ON:05.08.2010
INVESTMENT OF SURPLUS IN MUTUAL FUNDS BY PSUS
Reddy Shri K. Jayasurya Prakash

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

- (a) whether the Government has allowed/proposes to allow public sector companies to invest their surplus cash in mutual funds run by private firms;
- (b) if so, the details thereof; and
- (c) the present status thereof?

Answer

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

(a) to (c): In August 2007, Government have issued guidelines, interalia, permitting Navratna and Miniratna Central Public Sector Enterprises (CPSEs) to invest upto 30% of the available surplus funds in Securities and Exchange Board of India (SEBI) regulated Public Sector Mutual Funds. In January 2009, Government reviewed the position and decided to continue the scheme till further orders.