

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

UNSTARRED QUESTION NO:6859

ANSWERED ON:17.05.2012

INVESTMENT IN SHARE MARKET BY PSUs

Ganpatrao Shri Jadhav Prataprao;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/policy for investment by the Public Sector Undertakings in the share market;
- (b) if so, the details thereof; and
- (c) if not, the reasons therefor alongwith the reaction of the Government in this regard?

**Answer**

MINISTER OF THE STATE IN THE MINISTRY OF HEAVY INDUSTRIES & PUBLIC ENTERPRISES (SHRI PRAFUL PATEL)

(a) to (c) Central Public Sector Enterprises (CPSEs) have not been permitted to invest in the share market directly. However, Government have permitted, in August, 2007, Navratna and Miniratna CPSEs to invest 30% of their surplus funds in schemes of the Securities and Exchange Board of India (SEBI) regulated public sector mutual funds. In March-April 2012 CPSEs have been further authorized to buy back their own shares or shares of another CPSE utilizing their surplus cash.