

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

UNSTARRED QUESTION NO:1489  
ANSWERED ON:21.07.2014  
RE INVESTMENT OF PSE FUNDS  
Chandumajra Shri Prem Singh

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

- (a) whether a large amount of additional/spare capital is lying unproductive with certain Public Sector Enterprises (PSEs);
- (b) If so, the details thereof, PSE-wise; and
- (c) the steps proposed by the Government to re-invest the surplus capital of such PSEs?

**Answer**

THE MINISTER OF STATE IN THE HEAVY INDUSTRIES & PUBLIC ENTERPRISES (SHRI P. RADHAKRISHNAN)

(a) to (b) As per information available in the Public Enterprises Survey 2012-13, that was laid in the Parliament on 20.02.2014, all Central Public Sector Enterprises (CPSEs) taken together have total cash & bank balance of Rs. 2,66,599.79 crore. CPSE wise details of cash and bank balances are available in Public Enterprises Survey 2012-13 (Vol. II). These cash and Bank balances are used by CPSEs for various commercial purposes including payment of dividend and tax, discharge of liabilities, working capital, Capital expenditure, expansion, modernization, acquisition, operational expenditure, deposits with banks/mutual Funds etc

(c) Decisions on investment of funds in various projects, expansion, diversification, joint ventures, subsidiaries etc. are taken by the Board of the CPSEs as per laid down policy. Government has issued guidelines from time to time on investment of surplus funds of CPSEs to ensure maximum safety, no element of speculation on the yield, sound commercial judgment and maturity period of not more than one year. Instruments have been specified through which surplus funds of the CPSEs can be invested. Decision on the investment of surplus funds is to be taken by Board of CPSE. Recently it has also been decided that Navratna and Miniratna CPSEs can invest 30% of their surplus funds in SEBI regulated Public Sector Mutual Funds. It has also been decided that at least 60% of surplus funds should be placed with Public Sector Banks and the practice of inviting competitive bids for bulk deposits should be discounted.