

**GOVERNMENT OF INDIA
PLANNING
LOK SABHA**

UNSTARRED QUESTION NO:125
ANSWERED ON:23.11.2005
NATIONAL INVESTMENT FUNDS
Chitthan Shri N.S.V.

Will the Minister of PLANNING be pleased to state:

- (a) whether the Government proposes to establish National Investment Fund for Integrated Development;
- (b) if so, the details thereof;
- (c) whether any financial allocation to the States has already been made in this regard; and
- (d) if so, the funds allocated to the States, State-wise?

Answer

MINISTER OF STATE IN THE MINISTRY OF PLANNING (SHRI M. V. RAJASEKHARAN)

(a) & (b): As per the information furnished by the Department of Disinvestment, the Government had approved the constitution of a National Investment Fund (NIF) on 2 January, 2005. Proceeds from disinvestment of Central Public Sector Enterprises are to be channelised into NIF, which is to be maintained outside the Consolidated Fund of India and is to be professionally managed to provide sustainable returns to the Government, without depleting the corpus. Public Sector Mutual Funds are to be entrusted with the management of the corpus of NIF. The income from NIF is to be used for financing specific schemes for investment in social sector projects and for capital investment in selected profitable and revivable Central Public Sector Enterprises that yield adequate returns, in order to enlarge their capital base to finance expansion / diversification.

(c) & (d): Does not arise in view of the reply to parts (a) and (b).