

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

STARRED QUESTION NO:439
ANSWERED ON:22.08.2003
COMMITTEE ON STATE FINANCES
NARESH KUMAR PUGLIA

Will the Minister of FINANCE be pleased to state:

- (a) whether the Reserve Bank of India has set up a high-level Committee to review the growing financial burden on various States on account of pension funding;
- (b) if so, the details thereof;
- (c) whether the report of the Committee has since been received;
- (d) if so, the salient features thereof and the reaction of the Government thereto; and
- (e) if not, when the Committee is likely to submit its report?

Answer

MINISTER OF FINANCE (SHRI JASWANT SINGH)

(a) to (e) : A statement is placed on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (e) OF LOK SABHA STARRED QUESTION NO.439 FOR ANSWER ON 22ND AUGUST, 2003, REGARDING COMMITTEE ON STATE FINANCES.

(a) to (e) : The Reserve Bank of India has set up a Group to study the pension liabilities of State Governments. The Group, under the Chairmanship of Shri B.K. Bhattacharya, former Chief Secretary to Government of Karnataka, consists of Finance Secretaries of eight State Governments, representatives from the Department of Pension & Pensioners' Welfare, Government of India, Life Insurance Corporation of India and a few experts, as members.

The Terms of Reference require the Group to study, inter alia, the existing pension scheme prevailing in the States to review the trends in the pension payments of the State Governments and their fiscal implication and to suggest appropriate mechanism regarding funding arrangements to be put in place for enabling the States to meet their growing future pension liabilities. The Group is expected to submit its report by the end of October, 2003.