

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:5894
ANSWERED ON:03.05.2002
RECOMMENDATION OF BHATTACHARYA COMMITTEE
VILAS BABURAO MUTTEMWAR

Will the Minister of FINANCE be pleased to state:

- (a) whether the B.K. Bhattacharya Committee have inter-alia recommended 10 percent of the pension money be invested in rated corporate debt and/or equities/index funds;
- (b) if so, how safe these investment are expected to be;
- (c) whether the Yield from this investment is likely to be much less in comparison to the other investment; and
- (d) if so, the details thereof and the decision taken by the Government in the matter?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI GINGEE N. RAMACHANDRAN)

(a) to (d) The Department of Pension and Pensioners' Welfare has intimated that the High Level expert group constituted under the chairmanship of Shri B.K. Bhattacharya has, inter-alia recommended an investment pattern. The said investment pattern, inter-alia stipulates that not more than 20% of the pension assets, of which investment in equity shall not exceed 10% could be in the bonds/debt securities of companies registered under the Companies Act and with rating by a SEBI approved credit rating agency, of at least investment grade in the previous three years, plus equities/index funds. The rest of the assets would be primarily required to be invested in fixed income securities including government securities and securities of the financial institutions. Government has initiated consideration of the recommendations of the said expert group regarding introduction of the new scheme, its basic features and the proposed investment pattern.