

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:1689
ANSWERED ON:01.08.2003
PENSION FUND
RENUKA CHOWDHURY

Will the Minister of FINANCE be pleased to state:

- (a) whether several mutual fund companies and fund management companies in India and abroad have sent representations to Government against restricting number of pension fund to six, as earlier decided;
- (b) if so, the reasons adduced by these companies, to increase the number of Pension Fund Schemes;
- (c) whether it is difficult to manage the multifarious Pension fund Schemes in view of the swelling numbers of new Government recruits, of around 33,000 excluding defence services, each year; and
- (d) if so, the Government's decision on the representations for more pension fund schemes?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO V. ADSUL)

- (a) & (b) : During consultations with the representatives of mutual fund industry and insurance industry on the new pension system announced in the Budget 2003-04, representations were received suggesting unrestricted number of entities, which could be allowed to operate pension schemes. The major reasons for such a suggestion, inter-alia, included no restrictions on number of players in banking sector, mutual fund sector and insurance sector, market based open door policy with strict entry norms ability of a separate regulator for pension sector to regulate large number of players and faster education of the masses with more players.
- (c) & (d): The number of pension fund managers which will operate in the new pension system has not been decided by the Government.