

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

STARRED QUESTION NO:105
ANSWERED ON:10.07.2009
INVESTMENT OF PENSION FUND
Mani Shri Jose K.

Will the Minister of FINANCE be pleased to state:

- (a) Whether the Government proposes to invest the pension fund in the infrastructure sectors including private partnerships; and
- (b) if so, the details thereof?

Answer

FINANCE MINISTER IN THE MINISTRY OF FINANCE(SHRI PRANAB MUKHERJEE)

(a) to (b): A Statement is laid on the Table of the Lok Sabha.

STATEMENT FOR LOK SABHA STARRED QUESTION NO.105 FOR 10th July, 2009 REGARDING INVESTMENT OF PENSION FUND TABLED BY SHRI JOSE K. MANI

(a) and (b): The Government does not invest the corpus of pension funds in the financial instruments. However, the Government notifies the investment pattern for Non-Government Provident Funds, Superannuation Funds and Gratuity Funds. The investment of the funds is the fiduciary responsibility of the Trustees of the funds. The investment pattern indicates only generic categories of investment instruments and specific individual investments are done by the trustees as per their judgement. The existing investment pattern allows investment of funds in debt securities with maturity of not less than three years tenure issued by bodies corporate including banks and public financial institutions provided that at least 75% of the investment in this category is made in instruments having an investment grade rating from at least one credit rating agency. The investment pattern also allows limited investment in shares of companies on which derivatives are available in Bombay Stock Exchange or National Stock Exchange or equity linked schemes of mutual funds regulated by the Securities and Exchange Board of India.

The corpus of funds under the New Pension System in respect of Government employees is invested in accordance with the same investment pattern as described above.