

**GOVERNMENT OF INDIA
LABOUR AND EMPLOYMENT
LOK SABHA**

UNSTARRED QUESTION NO:4497

ANSWERED ON:22.04.2013

INVESTMENT PATTERNS OF EPFO

Das Gupta Shri Gurudas;Lingam Shri P.;Mani Shri Jose K.

Will the Minister of LABOUR AND EMPLOYMENT be pleased to state:

- (a) whether the Employees Provident Fund Organisation (EPFO) is set to adopt a new investment pattern from the coming financial year to boost returns on its 5 lakh crore corpus;
- (b) if so, the details thereof and the reasons therefor;
- (c) whether the new bond issues will have a new equity convertibility clause;
- (d) if so, whether this decision will go against the EPFO policy of steadfast opposition to equity investments; and
- (e) if so, the reaction of the Government in this regard?

Answer

MINISTER OF STATE FOR LABOUR AND EMPLOYMENT (SHRI KODIKUNNIL SURESH)

- (a) & (b): The Central Board of Trustees (CBT), Employees' Provident Fund (EPF) in its 201st Meeting held on 25.02.2013 recommended adoption of 2008 pattern of investment of Ministry of Finance, without investment in equity. The matter is under consideration of the Government.
- (c) & (d): The current bond investments do not have equity convertibility clause. However, if equity convertibility clause is incorporated in future bond issuances, decision on investment in such bonds would be taken on the basis of investment guidelines approved by the Government in consultation with CBT (EPF).
- (e): Question does not arise in view of reply to parts (c) & (d) above.