

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

STARRED QUESTION NO:299
ANSWERED ON:10.08.2015
Investment of EPF in Equity Market
Udhayakumar Shri M.

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

- (a) whether the Government has allowed the Employee's Provident Fund Organisation (EPFO) to invest 5 per cent of its corpus in exchange trade funds;
- (b) if so, the details thereof including the estimated amount of EPFO's deposits during 2014-15 and 2015-16;
- (c) the percentage of investment of corpus in equity market as suggested by the Ministry of Finance; and
- (d) the steps taken by the Government to ensure that the hard earned money of the employees/subscribers remains safe and unaffected by the uncertainty of stock market?

Answer

MINISTER OF STATE (IC) FOR LABOUR AND EMPLOYMENT
(SHRI BANDARU DATTATREYA)

(a) to (d): A statement is laid on the Table of the House.

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STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (d) OF LOK SABHA STARRED QUESTION NO. 299 TO BE ANSWERED ON 10.08.2015 BY ADV. M. UDHAYAKUMAR REGARDING INVESTMENT OF EPF IN EQUITY MARKET.

- (a) Yes, Madam. The Government has notified a new Investment Pattern vide notification no. 1071 (E) dated 23rd April, 2015 for investments by Employees' Provident Fund Organisation (EPFO). This pattern of investment prescribes minimum 5 per cent and upto 15 per cent investments in equity and related investment under which Exchange Trade Funds (ETFs) instrument falls.
- (b) The said Pattern of Investment, 2015 has been implemented with effect from 1st July, 2015 for investments by EPFO. The estimated amount of EPFO's deposits are:
Year Deposits
2014-15 Nil
2015-16 Rs. 5,000 Crore (approximately)

- (c) The Pattern of Investment notified by Ministry of Finance on 2nd March, 2015 prescribes minimum 5 per cent and upto 15 per cent investment in equity and related investments.
- (d) The Central Board of Trustees (CBT), Employees' Provident Fund (EPF) while recommending the said Investment Pattern to Government in its 207th Meeting held on 31.03.2015 decided to invest in Exchange Traded Fund (ETF) only in category (iv), i.e., equity and related investments. The CBT also specified that initially investment will start with one per cent and subsequently it will invest upto 5 per cent at the end of financial year.
