

## **AIRPORTS AUTHORITY OF INDIA**

**Subject:- Non settlement of pension cases of employees — present status for general information.**

- ❖ On 16.1.2007, an application was made to CPFO to cover employees of AAI under the PF Act.
- ❖ On 17.8.2007, The Additional PF Commissioner, North Zone, New Delhi passed an order for coverage to the employees of AAI with effect from 1.4.1995 i.e. the date of formation of AAI.
- ❖ On 22.8.2007, AAI allotted Code No. DL/36478 by EPFO.
- ❖ On 8.10.2007, an Application was made to the Secretary, Ministry of Labour and Employment through Regional PF Commissioner, Delhi (N) seeking exemption to maintain Provident Fund in house.
- ❖ On 30.4.2010, RPFC, Delhi approved relaxation/exemption under Para 27(A) of EPF Act, 1952 read with Section 17(2) for AAI to maintain Provident Fund in house.
- ❖ As of July, 2011, 157 claims have been settled by RPFC, Delhi, out of which 80 Pension Payment Orders (PPOs) were directly issued by them for the officials hailing from Delhi and pension sanction order for remaining 77 officials hailing from other parts of the country were also issued. For this category of officials i.e. hailing from outside Delhi, PPOs are to be issued by the concerned Regional Provident Fund Commissioner according to the locality for such officials.
- ❖ While Chennai and Gurgaon have issued PPOs, Kolkata and Mumbai RPFCs have not issued the PPOs in respect of officials who have opted for the pension on actual salary and have sought certain clarifications from RPFC, Delhi.
- ❖ Subsequently, the RPFC, Delhi have stopped settling the pension claims on actual salary

- ❖ AAI had been advised to apply for *ex post facto* approval for contribution on actual salary under para 26 (b) of EPF Scheme, 1952. The same was compiled forthwith.
- ❖ Additional Provident Fund Commissioner (Delhi North) referred the case to Central Provident Fund Commissioner during the first week of December, 2011.
- ❖ The Central Provident Fund Commissioner convened a meeting on 30.12.2011 wherein the senior officials from CPFC, RPFC, Delhi and AAI were present.
- ❖ CPFC Office is of the opinion of *that financial and compliance issues are yet to be resolved and unless issues relating to transfer of past accumulations levy of penal damages etc. are taken care of by RPFC-I Delhi North, Pension Division in Head Office shall not be in a position to examine the issues any further.*”
- ❖ In a meeting held on 25.1.2011 RPFC, Delhi, emphasized that AAI is required to pay interest and damages as per ACT and recovery of the damages will be calculated with effect from 1.4.1995.
- ❖ AAI’s Consultant has advised that AAI needs to pay only the simple interest @ 12% with effect from September, 1997. Regarding damages, he has advised that the same will be applicable only from 22.8.2007 i.e. the date of coverage given by RPFC, Delhi and not for the pre-discovery period i.e. 1.4.1995 to 21.7.2007.
- ❖ In a similar case the Hon’ble Kolkata High Court has delivered a judgment on 22.12.2011 stating that benefit of exemption from paying damages as was conferred by CPFC Circular dated 16.6.2004 and the subsequent Circular withdrawing the earlier Circular prospectively with effect from 16.2.2009 cannot take away the benefit which was granted earlier. In other words, the damages will not be applicable for the pre-discovery period prior to 2007.

- ❖ In response to AAI's letter dated 2.2.2012 requesting for a meeting for early settlement of issue, RPFC(Pension), New Delhi has, vide his letter dated 14.2.2012, informed that Additional CPFC (DL & UK) has been given instructions to take necessary action in the matter subject to fulfillment of certain obligations.
- ❖ Subsequently, Assistant PF Commissioner (Damages) has, vide his letter dated 21.2.2012, asked AAI to pay immediately an amount of Rs.3,36,69,88,693(Interest1,22,79,12,660+Damages Rs.2,13,90,76,033).
- ❖ AAI is taking legal opinion as to the further course of action in the matter so as to delink the issue of payment of pension to its employees from dues to be paid by AAI to PF authorities.

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