

**MINUTES OF THE 224<sup>th</sup> MEETING OF CBT (EPF)  
(DELHI, 21<sup>st</sup> FEBRUARY, 2019 AT 03:00 PM)**

The 224<sup>th</sup> meeting of the Central Board of Trustees, Employees' Provident Fund was held under the Chairmanship of Hon'ble Shri Santosh Kumar Gangwar, Chairman, Central Board of Trustees, Employees' Provident Fund and Minister of Labour and Employment (Independent Charge).

List of members who attended the meeting is placed at **Annexure A**. List of officers of EPFO who attended the meeting is placed at **Annexure B**.

CPFC welcomed the Chairman, the Vice Chairman and all the members. He informed that most of the agenda items placed in this meeting have been discussed and recommended by the Committees of CBT. He then requested the Chairman to give his opening remarks.

The Chairman in his opening remarks welcomed all the members. He said that some of the agenda items are confidential in nature and he requested all members to maintain confidentiality. He gave an overview of the agenda for the meeting and asked CPFC to take up the agenda items for discussion.

**Item No. 1: Confirmation of minutes of the 223<sup>rd</sup> meeting of the Central Board (EPF) held on 04.12.2018.**

The Board confirmed the minutes of the 223<sup>rd</sup> meeting of CBT.

**Item No. 2: Action Taken Statement in respect of decisions taken in the CBT meetings held upto 04.12.2018 (223<sup>rd</sup> CBT meeting).**

**Sr. no. 3 of ATR :** Sh. Sunkari Malleshram said that relaxation should also be given for grant of non-functional grade to officers. He said that one time promotion benefit should also be given to staff members in isolated posts as well as to those who are stagnating in the same post. Sh. Virjesh Upadhyay said that due benefits should be given to officials in all cadres.

Shri R. K. Gupta, Joint Secretary, MoL&E informed that relaxation has been given in respect of cadres where the MOL&E is competent. He said that in cases where approval of DoP&T is required, MoL&E has recommended and forwarded such cases to DoP&T. CPFC informed that a lot of progress has been made since the last meeting of CBT on 04.12.2018. He said that relaxation has already been given in four out of seven cadres. He also informed that a lot of cases for appointment on compassionate grounds have also been cleared.

The Board noted the action taken status with these observations.

**Item No. 3: Minutes of meetings of the Sub-Committees of the Board.**

The Board took note of the information placed before it.

**Item No. 4: Performance review of Portfolio Managers from a separate agency in addition to the review by M/s CRISIL Limited.**

The Board approved the proposal as contained in the agenda.

**Item No. 5: Revised Estimates for the year 2018-19 and Budget Estimates for the year 2019-20 for EPFO and Schemes administered by EPFO.**

Issues for the reason for increase in capital expenditure and reduction in administrative charges was raised by one of the CBT members.

CPFC informed that the recent reduction in rate of administrative charges to 0.5% have impacted the total amount of administrative charges collected. He informed that capital expenditure has increased on account of higher outlay on constructional activities and on procurement of IT infrastructure.

The Board approved the proposal as contained in the agenda.

**Item No. 6: Investment in BHARAT 22 ETF by EPFO.**

The Board approved the proposal as contained in the agenda.

**Item No. 7: Investment in CPSE ETF by EPFO.**

The Board approved the proposal as contained in the agenda.

**Item No. 8: Status note on Investment in Exchange Traded Fund (ETF) by EPFO.**

Sh. Sunkari Malleshram, Sh. Ramendra Kumar and Sh. R. Karumalaiyan inquired about the safety of the money invested by EPFO in IL&FS. CPFC informed that so far there is no default from IL&FS and all precautionary measures are being taken to ensure safety of the money invested by EPFO.

Sh. Ram Kishore Tripathi asked about the method through which interest is given to members in respect of amount invested in ETF.

CPFC informed that EPFO invests in ETF conservatively and on a long-term basis so that there is no loss to the employees. He informed that deliberations are underway to decide the

exact mechanism for crediting amount in members' accounts in respect of amount invested in ETF.

The Board approved the proposal as contained in the agenda.

**Item No. 9: Extension of tenure of engagement of the SBI, PMS Portfolio Manager upto 31<sup>st</sup> March, 2019.**

The Board approved the proposal as contained in the agenda.

**Item No. 10: Extension of tenure of Custodian of EPFO Securities M/s Standard Chartered Bank (SCB) upto 31.03.2019 after their performance evaluation for the period 01.04.2017 to 31.03.2018.**

The Board approved the proposal as contained in the agenda.

**Item No. 11: Allocation of funds to Portfolio Managers beyond 31.03.2019 consequent to closure of Portfolio Management Service activity by SBI.**

The Board approved the proposal as contained in the agenda.

**Item No. 12: Extension of tenure of current Portfolio Managers (except SBI) of EPFO up to 30<sup>th</sup> June, 2019 or till appointment of new Portfolio Managers whichever is earlier.**

The Board approved the proposal as contained in the agenda.

**Item No. 13: Amendment in EPF Scheme 1952 for Accounting Policy of Exchange Traded Fund (ETF) (Equity and related investment).**

The Board approved the proposal as contained in the agenda.

**Item No. 14: Cumulative performance evaluation for the period July, 2015 to June, 2018.**

The Board approved the proposal as contained in the agenda.

**Item No. 15: Appointment of C-DAC as a consultant to carry out the Second Phase of Computerization Project.**

The Board approved the proposal as contained in the agenda.

**Item No. 16: Grant of Exemption by the Appropriate Government under Section 17(2) of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 read with para 27A of the Employees' Provident Funds Scheme, 1952 in respect of six establishments.**

Sh. Arun Chawla suggested that there should be provision for deemed approval for exemption. CPFC informed that State Governments as well as Central Government are appropriate governments for granting exemption and therefore consultation with State Governments also will be required in this regard. He said that, however, this suggestion can be discussed by the Exempted Establishments' Committee.

Sh. Ram Kishore Tripathi said that the facility of exemption should be removed for the time being as the members of exempted establishments are not getting the benefit of pension on higher wages. The Chairman asked him to give a suggestion in this regard in writing so that it can be examined.

The Board approved the proposal as contained in the agenda.

**Item No. 17: Grant of Exemption in respect of M/s. Software Technology Parks of India, DL/CPM/21101 under Section 17(2) of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 read with para 27A of the Employees' Provident Funds Scheme, 1952 by appropriate Government.**

The Board approved the proposal as contained in the agenda.

**Item No. 18: Information on the issue of Pension on higher wages and status of court cases.**

Sh. R. Karumalaiyan, Shri Dilip Bhattacharya and Sh. Ramendra Kumar said that the issues related to pension under EPS, 1995 should be discussed and resolved. Sh. Sunkari Malleshram and Sh. Ram Kishore Tripathi said that minimum pension under EPS, 1995 should be increased at the earliest. It was decided that a separate meeting will be held to discuss the issues related to pension.

The agenda item was deferred.

**Item No. 19: Recommendation of rate of Interest to be credited to EPF members' accounts for the year 2018-19.**

The Board approved the proposal as contained in the agenda. The Board unanimously decided to recommend the rate of interest of 8.65% for the EPF balances in 2018-19.

### **Other issues**

Sh. P. J. Banasure said that he has requested to amend section 7A to restrict the numbers of previous years for which records can be checked. Vice Chairman informed that the matter is under consideration.

Sh. P. J. Banasure said that the entitlement for TA and DA for CBT members should be increased. CPFC informed that a proposal in this regard has already been recommended by CBT and forwarded to MoL&E for further action.

Sh. Michael Dias said that a white paper should be brought out on the quality of services provided by EPFO to customers. He said that response should be given to letters sent by CBT members.

Sh. Ram Kishore Tripathi thanked the Chairman for issuing a circular for giving additional powers and functions to the District Offices.

Sh. Dilip Bhattacharya said that many workers are not covered due to lack of inspection. Sh. Ramendra Kumar said that there is evasion and mechanism for inspection of establishments is not effective. Sh. R. Karumalaiyan said that there is evasion because of reduced number of inspections.

Sh. Michael Dias said that timelines should be prescribed for actions taken by EPFO, such as assessment of dues under section 7A and inspection of old records, so that there is less harassment of the employers. CPFC informed that this is an important issue and amendments in the Act and Schemes, to address this issue, are under consideration.

CPFC informed that the method of compliance has been simplified so that employers are seeking coverage through Suvidha Portal and filing monthly ECR on their own. He said that an initiative is also being contemplated to facilitate employees to make complaints regarding non-coverage.

Sh. Ram Kishore Tripathi and Sh. Sunkari Malleshram expressed concern that a lot of amount is lying in unclaimed accounts. Sh. Michael Dias said that amounts which are assessed by the assessing offices of EPFO without identifying the employees are lying unclaimed with EPFO.

Sh. Virjesh Upadhyay said that the inoperative accounts pertain to members and should not be called unclaimed accounts.

CPFC informed that there are no unclaimed accounts, only inoperative accounts. He said that efforts are being made to link the inoperative EPF accounts with Aadhar and UANs of operative accounts. He said such measures will greatly reduce the number of inoperative accounts.

The Chairman thanked all the members. The meeting ended with vote of thanks to the Chair.

\*\*\*\*\*

**ANNEXURE A****List of members who attended the 224<sup>th</sup> meeting of Central Board (EPF) on 21-02-2019**

1.	Shri Heera Lal Samariya, Secretary, Ministry of Labour & Employment	<b>VICE CHAIRMAN</b>
2.	Ms. Anuradha Prasad, Additional Secretary, Ministry of Labour & Employment	<b>CENTRAL GOVERNMENT REPRESENTATIVES</b>
3.	Ms. Sibani Swain, Additional Secretary & Financial Advisor, Ministry of Labour & Employment	
4.	Shri R. K. Gupta, Joint Secretary, Ministry of Labour & Employment	
5.	Sh U. K. Sinha, Deputy Labour Commissioner, Labour Department, Govt. of NCT of Delhi.	<b>STATE GOVERNMENT REPRESENTATIVES</b>
6.	Sh. Dinesh Kumar, Deputy Labour Commissioner, Govt. of Haryana.	
7.	Sh. J. P. Singh, Asst. Labour Commissioner, Labour Department, Govt. of Punjab.	
8.	Sh. Rajiv K. Saxena, Joint Labour Commissioner, Labour Department, Govt. of Rajasthan.	
9.	Sh. S. M. A. Rizvi, Director, ESIC Scheme, Labour Department, Govt. of Uttar Pradesh.	
10.	Shri Arun Chawla	<b>EMPLOYERS' REPRESENTATIVES</b>
11.	Shri Michael Dias	
12.	Shri M.L. Maurya	
13.	Shri Sougata Roy Choudhury	
14.	Shri Ashish Wig	
15.	Shri K. E. Raghunathan	
16.	Shri Govind Lele	
17.	Shri Anupam Mailk	
18.	Shri Sanjay Bhatia	
19.	Shri Virjesh Upadhyay	<b>EMPLOYEES' REPRESENTATIVES</b>
20.	Shri Prabhakar J. Banasure	
21.	Shri Sunkari Mallesham	
22.	Sh. R. Karumalaiyan (substitute of Shri A. K. Padmanabhan)	
23.	Shri Ramendra Kumar	
24.	Sh. Ram Kishore Tripathi (substitute of Shri Harbhajan Singh Sidhu)	
25.	Shri Dilip Bhattacharya	
26.	Shri Sunil Barthwal, Central PF Commissioner	<b>MEMBER SECRETARY</b>

Following members could not attend and were granted leave of absence:-

1.	Joint Secretary and Director General Labour Welfare, Ministry of Labour & Employment.	<b>CENTRAL GOVERNMENT REPRESENTATIVES</b>
2.	Joint Secretary (Pension Reforms) Deptt. of Financial Services, Ministry of Finance.	
3.	Secretary to the Govt. of Andhra Pradesh, Labour Department, Hyderabad.	<b>STATE GOVERNMENT REPRESENTATIVES</b>
4.	Secretary to the Govt. of Chandigarh Administration, Labour Department, Chandigarh.	
5.	Secretary to the Govt. of Gujarat, Labour and Employment Department, Gandhinagar.	
6.	Secretary to the Govt. of Karnataka, Department of Labour, Bangalore.	
7.	Secretary to the Govt. of Kerala, Labour Department, Thiruvananthapuram.	
8.	Secretary to the Govt. of Madhya Pradesh, Department of Labour, Bhopal.	
9.	Secretary to the Govt. of Maharashtra, Department of Labour, Mumbai.	
10.	Secretary to the Govt. of Tamil Nadu, Labour Department, Chennai.	
11.	Secretary to the Govt. of Telangana, Department of Labour, Hyderabad.	
12.	Secretary to the Govt. of West Bengal, Department of Labour, Kolkata.	



**List of officers who attended the 224<sup>th</sup> meeting of Central Board (EPF) on 21-02-2019**

Sl No.	Name	Designation
1.	Shri Rajesh Bansal	ACC (HQ)
2.	Ms. Neelam Sanghi	ACC (HQ)
3.	Sh. Hemant Jain	FA & CAO
4.	Sh. Jag Mohan	ACC (HQ)
5.	Sh. V. P. Singh	ACC (HQ)
6.	Sh. Chandramauli Chakraborty	ACC
7.	Ms. Udit Choudhary	ACC
8.	Ms. Uma Mandal	ACC
9.	Sh. Mukesh Kumar	RPFC-I
10.	Sh. Rajiv Bisht	RPFC-I
11.	Sh. Samarendra Kumar	RPFC-I
12.	Sh. Saurabh Jagati	RPFC-I
13.	Sh. Brijesh Mishra	RPFC-I
14.	Sh. Amiya Kant	RPFC-I
15.	Sh. Amul Raj	RPFC-I
16.	Sh. Sandeep Negi	RPFC-II
17.	Sh. Lalit Kumar	APFC
18.	Sh. Alok Kumar	APFC
19.	Sh. Raunak Jain	APFC