

**MINUTES OF THE 225th MEETING OF CBT (EPF)
(Hyderabad, 21st August, 2019 AT 02:30 PM)**

The 225th meeting of the Central Board of Trustees, Employees' Provident Fund was held under the Chairmanship of 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. The Chairman launched EPFiGMS 2.0, Dashboard 2.0 and a booklet on seasonal employees. CPFC then requested the Chairman to give his opening remarks.

The Chairman said that EPFO should strive to extend social security coverage to the entire working population of India. He informed that EPFO has taken many initiatives on ease of doing business for employers, employees and good governance.

He informed that over 90% of the claims received in EPFO are settled online. Online collection of PF dues has taken further leap by addition of 3 more collection banks for centralised collection to 13 existing banks. This has widened the reach of the organisation and enhanced the ease of doing business for the employer.

Earlier, contacting EPFO over phone was a major issue as call center was operational only during office hours. Now, 24X7 call center facility has been made operational providing round the clock access.

EPFO has successfully negotiated with State Bank of India for consolidation of existing Over Drafts (OD), reduction in OD interest, collection charges and better rates on Fixed Deposit leading to savings to the tune of Rs 11.50 crore per month to the organisation.

The Chairman then 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 224th meeting of the Central Board (EPF) held on 21.02.2019.

The Board confirmed the minutes of the 224th meeting of CBT.

Item No. 2: Action Taken Statement in respect of decisions taken in the CBT meetings held upto 21.02.2019 (224th CBT meeting).

Sr. no. 1 of ATR: Sh. M.J. Rao said that vacancies in all the posts should be filled up by relaxing the eligibility conditions. CPFC informed that relaxation in eligibility conditions is being provided in accordance with rules and guidelines in this regard.

Sr. no. 2 of ATR: Sh. P.J. Banasure suggested that the matter of constitution of Workers' Bank may no longer be pursued. The Chairman said that the interested members may accompany him to discuss this matter with the Finance Minister.

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: Reconstitution of Executive Committee – Election of the representatives of employers and employees to the Executive Committee of the Central Board of Trustees.

The Board authorised the Chairman to nominate employers' and employees' representatives to the Executive Committee.

Item No. 5: Consultant for Selection and Performance Evaluation of Custodian.

The Board approved the proposal as contained in the agenda.

Item No. 6: Appointment of a Consultant in addition to M/s. CRISIL Ltd to review working of Portfolio Managers & assist the investment Committee in redemption of ETFs, etc.

Shri Sukumar V. Damle said that it should be ensured that investments made by EPFO are safe. Sh. M.J. Rao suggested that the members can give their suggestions regarding appointment of an additional consultant to the committee constituted for this purpose. The Chairman agreed to this suggestion.

The Board approved the proposal as contained in the agenda.

Item No. 7: Extension of tenure of M/s. CRISIL Ltd as Consultant for three month i.e. upto 30.06.2019 or till appointment of new Portfolio Managers, whichever is earlier.

The Board approved the proposal as contained in the agenda.

Item No. 8: Consent for Transfer of Non-Convertible Debentures of Gujarat State Petroleum Corporation (GSPC) to Gujarat State Investments Ltd (GSIL).

Sh. Ram Kishore Tripathi and Sh. R. Karumalaiyan enquired about the safety of debentures transferred to Gujarat State Investments Limited (GSIL). The Vice-Chairman

informed that safety of the investments being made in GSIL is guaranteed by the Govt. of Gujarat.

The Board approved the proposal as contained in the agenda.

Item No. 9: Legal Entity Identifier Code (LEI) for participation in non-derivative markets by EPFO.

The Board approved the proposal as contained in the agenda.

Item No. 10: Investment in BHARAT 22 ETF by EPFO.

The Board took note of the information placed before it.

Item No. 11: Investment in CPSE ETF by EPFO.

Sh. M.J. Rao suggested to reconsider investing in ETFs of PSUs in order to ensure safety of the investments. CPFC said that this matter will be deliberated upon by the Finance, Investment and Audit Committee of the Board.

The Board took note of the information placed before it.

Item No. 12: Investments in bonds of private sector companies.

The Board approved the proposal as contained in the agenda.

Item No. 13: Approval of release of payment for report submitted by ICAI ARF on Pilot study project on Migration Strategy at EPFO-Cash to Accrual Accounting.

The Board approved the proposal as contained in the agenda.

Item No. 14: Status note on coupon default of infrastructure leasing & financial services limited after downgrade of its bonds

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Authority to attend debenture - holders' meeting in future and if need be, vote for and on behalf of the Central Board, EPF.

Sh. Sukumar V. Damle, Sh. Ram Kishore Tripathi, Shri M.J. Rao and Sh. Michael Dias expressed concern, in particular about the default by IL&FS and in general about the safety of investments made by EPFO.

CPFC informed that investment pattern is prescribed by the Ministry of Finance and that CBT itself has imposed further restrictions in order to ensure safety of the investments.

The Board took note of the information placed before it and approved the proposal as contained in the agenda.

Item No. 15: Extension of tenure of current Portfolio Managers of EPFO and M/s. CRISIL Limited, Consultant up to 30thSeptember, 2019 or till appointment of new Portfolio Managers whichever is earlier.

The Board approved the proposal as contained in the agenda.

Item No. 16: Selection of ETF Manufacturers to invest EPFO's investments in ETF.

The Board approved the proposal as contained in the agenda.

Item No. 17: Proposal for post facto ratification for grant of exemption in Respect of M/s Software Technology Parks of India -DL/CPM/21101).

The Board approved the proposal as contained in the agenda.

Item No. 18: Request for waiver of damages under section 14B of the EPF & MP Act, 1952 to M/s. SMS Life Sciences India Ltd. (AP/PTC/17974).

Sh. Michael Dias suggested that the scope of waiver of damages needs to be expanded.

CPFC informed that changes in provisions for damages are being deliberated upon with a view to ensure that damages are not levied as a matter of routine but only in cases of wilful default.

The Board approved the proposal as contained in the agenda.

Item No. 19: Audited Annual Account in respect of Employees' Provident Fund Scheme, 1952, Employees' Pension Scheme, 1995 and Employees' Deposit Linked Insurance Scheme, 1976 for the financial year 2017-18.

The Board approved the proposal as contained in the agenda.

Item No. 20: Exercising the Put-option available in NCDs of Tamil Nadu Power Finance and Infrastructure Development Corporation Limited (TNPFC).

The Board approved the proposal as contained in the agenda.

Item No. 21: Exercise of early redemption options available in Dewan Housing Finance Limited (DHFL) Bonds.

The Board approved the proposal as contained in the agenda.

Item No. 22: Put option in bonds issued by Kerala Financial Corporation & Tamil Nadu Power Finance and Infrastructure Dev Corp Ltd.

The Board approved the proposal as contained in the agenda.

Item No. 23: List of ineligible cases for waiver of damages rejected by Central Provident Fund Commissioner.

The Board took note of the information placed before it.

Item No. 24: Extension of probation period in the cadre of Assistant Provident Fund Commissioner (APFC) regarding.

Sh. Michael Dias said that the period of probation cannot be extended indefinitely.

Sh. D Lal, Addl. Secretary to Govt. Labour & Skills Department, State Government of Kerala said that due process should be followed even if the services of the concerned employees have to be terminated.

It was decided that the procedure, according to extant rules, necessary for deciding further continuation or otherwise of services of the concerned employees should be completed within the next three months.

Item No. 25: Information to be placed before the Central Board in accordance with para 23 of the EPF Scheme.

The Board took note of the information placed before it.

Item No. 26: Amendments in the Employees' Pension Scheme, 1995 related to increase in minimum pension to Rs. 2000/- per month, Restoration of commuted value of Pension and recommendation for moving towards a defined contribution based Pension System.

Sh. M.J. Rao and Sh. Dilip Bhattacharya said that as unorganized workers are getting a pension of Rs. 3000/- under PMSYM, the minimum pension for organized workers should not be less than Rs. 3000/- under EPS.

Sh. Sunkari Malleshram and Sh. Ram Kishore Tripathi said that the decision to increase the minimum pension under EPS has already been delayed and should be expedited.

The Board approved inter alia the proposal regarding restoration of commuted value of pension and recommended for requisite amendments in Employees' Pension Scheme, 1995.

Further, the Chairman said that he will discuss the issue of further to increase of minimum pension under EPS with the Finance Minister and the interested members may accompany him for the discussion in the light in recommendations of High Empowered Committee.

Item No. 27: Status Note on Court Cases on Pension.

CPFC informed that there is huge liability to pay pension on higher wages and EPFO will no longer be viable in view of actuarial report. He informed that a review petition has been filed in the Supreme Court against the Kerala High Court judgement on the issue of grant of pension on higher wages.

Sh. M.J. Rao said that actuarial valuation to determine sufficiency of funds to pay pension on higher wages should have been done earlier when it was put to CBT for issue of earlier circular. The Vice-Chairman asked EPFO authorities to look into the matter.

Sh. Sunkari Malleshram expressed concern over the lack of uniform approach of different Regional Offices in treatment of cases of pension on higher wages. The Vice-Chairman said that comprehensive instructions should be issued in this regard. CPFC informed that special audit is being conducted for cases of pension on higher wages.

The Board took note of the information placed before it.

Item No. 28: Implementation of EPF & MP Act, 1952 in Union Territories of Jammu & Kashmir and Ladakh.

The Board approved the proposal as contained in the agenda.

Item No. 29: Allocation of investment in Nifty 50 and Sensex.

The Board approved the proposal as contained in the agenda.

Item No. 30: Information note on Physical Facilities Division.

The Board took note of the information placed before it.

Item No. 31: Delegation of Administrative & Financial Powers to CPFC.

The Board approved the proposal as contained in the agenda.

Item No. 32: Appointment of Portfolio Managers for managing funds of Central Board, EPF.

The Board approved the proposal as contained in the agenda.

Item No. 33: Amount due from Central Government under Schemes EPS-1995, Minimum Pension Scheme and PM-SYM as on 31.03.2019.

The Board took note of the information placed before it.

Item No. 34: Investment in CPSE ETF by EPFO.

The Board took note of the information placed before it.

Item No. 35: Enhancement of delegation of financial powers and empanelment of agencies for publicity needs of EPFO.

The Board approved the proposal as contained in the agenda.

Other issues

Sh. M.J. Rao suggested that for types of complainants in EPFiGMS, besides the existing categories of PF member, EPS pensioner and employer, there should be an additional category for employees who have not been extended PF benefits.

Sh. P.J. Banasure suggested that duration of CBT meeting should be a full day so that meaningful discussions can take place on all the agenda items. Sh. Michael Dias said that agenda book should be provided at least 15 days before the meeting.

Sh. M.J. Rao expressed concern that there is inordinate delay in concluding inquiries under section 7A. He suggested that guidelines for conducting inquiries under section 7A should be issued. Vice-Chairman informed that the issue is under consideration and is being addressed through appropriate amendments in the Act.

Sh. Michael Dias expressed concern that the rate of interest of 8.65% for the year 2018-19, recommended by the Central Board in its 224th meeting, has not yet been declared.

The Vice-Chairman informed that the matter is under consideration of the Ministry of Finance and a decision is expected shortly.

Sh. M.J. Rao suggested that EPFO should publicize the quality services being provided by them so that the concerned persons can avail of benefits of these services.

Sri Dilip Bhattacharya raised the issue of non-coverage of coverable establishments due to lack of inspections, which results in the workers not getting their PF benefits. The Chairman advised the member to submit details in writing to take necessary action.

Sh. M.J. Rao said that as district offices need to be opened in all districts, opening of district offices should be done in a phased manner. He said that there should be a uniform procedure for corrections in name and date of birth. CPFC agreed to look into the matter.

Sh. Sunkari Malleshram and Sh. M.J. Rao said that in case of disruption of work of claim settlement due to systems failure, staff members should not be penalized for not achieving targets.

Sh. P.J. Banasure suggested that EPF Act should be extended to those employers also who engage more than 10 employees. He further suggested that the wage ceiling for coverage of employees should be increased from Rs. 15000/- to Rs. 21000/- as in the case of ESI Act. The

Chairman informed that these issues will be addressed in the proposed Labour Code on Social Security. He said that the members can give their views on these issues when suggestions from the public on the draft Labour Code are invited by the Government.

Sh. K.E. Raghunathan appreciated the efforts of the Finance, Investment & Audit Committee chaired by the Central Provident Fund Commissioner in finalizing the new Portfolio Managers for investing EPFO's corpus through a very transparent procedure. This would result in huge savings in portfolio management fees by EPFO.

ANNEXURE A**List of members who attended the 225th meeting of Central Board (EPF) on 21-08-2019**

1.	Shri Heera Lal Samariya, Secretary, Ministry of Labour & Employment	VICE CHAIRMAN
2.	Ms. Sibani Swain, Additional Secretary & Financial Advisor, Ministry of Labour & Employment	Central GOVERNMENT REPRESENTATIVES
3.	Shri Paramjit Singh Dhull, Deputy Labour Commissioner, Govt. of Haryana	STATE GOVERNMENT REPRESENTATIVES
4.	Shri D. Lal, Addl. Secretary, Labour & Skills Department, Govt. of Kerala	
5.	Shri S. Suresh Kumar, Principal Secretary(Labour), Govt. of West Bengal, Kolkata	
6.	Shri Shashank Goel, Principal Secretary(Labour), Govt. of Telangana	
7.	Shri Arun Chawla	EMPLOYERS' REPRESENTATIVES
8.	Shri Michael Dias	
9.	Shri Sougata Roy Choudhury	
10.	Shri Ashish Wig	
11.	Shri K.E. Raghunathan	
12.	Shri Anupam Mailk	
13.	Shri M. Jagdishwar Rao (substitute of Shri Virjesh Upadhayay)	EMPLOYEES' REPRESENTATIVES
14.	Shri Prabhakar J. Banasure	
15.	Shri Sunkari Mallesham	
16.	Sh. R. Karumalaiyan (substitute of Shri A.K. Padmanabhan)	
17.	Shri Sukumar V. Damle (substitute of Shri Ramendra Kumar)	
18.	Sh. Ram Kishore Tripathi (substitute of Shri Harbhajan Singh Sidhu)	
19.	Shri Dilip Bhattacharya	
20.	Shri Sunil Barthwal, Central PF Commissioner	MEMBER SECRETARY

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

1.	Addl. Secretary, Ministry of Labour & Employment	CENTRAL GOVERNMENT REPRESENTATIVES
2.	Joint Secretary, Ministry of Labour & Employment	
3.	Director General Labour Welfare, Ministry of Labour & Employment.	
4.	Joint Secretary, Dept. of Financial Services, Ministry of Finance.	
5.	Secretary to the Govt. of Andhra Pradesh, Labour Department, Hyderabad.	STATE GOVERNMENT REPRESENTATIVES
6.	Secretary to the Govt. of Chandigarh Administration, Labour Department, Chandigarh.	
7.	Secretary to the Govt. of NCT of Delhi, Labour Department, Delhi.	
8.	Secretary to the Govt. of Gujarat, Labour & Employment Department, Gandhinagar.	
9.	Secretary to the Govt. of Karnataka, Department of Labour, Bangalore.	
10.	Secretary to the Govt. of Madhya Pradesh, Department of Labour, Bhopal.	
11.	Secretary to the Govt. of Maharashtra, Department of Labour, Mumbai.	
12.	Secretary to the Govt. of Punjab, Department of Labour, Chandigarh.	
13.	Secretary to the Govt. of Rajasthan, Department of Labour, Jaipur.	
14.	Secretary to the Govt. of Tamil Nadu, Labour Department, Chennai.	
15.	Secretary to the Govt. of Uttar Pradesh, Labour Department, Lucknow.	
16.	Shri M.L Maurya	EMPLOYERS' REPRESENTATIVES
17.	Shri Govind Lele	
18.	Shri Sanjay Bhatia	

ANNEXURE B**List of officers who attended the 225th meeting of Central Board (EPF) on 21-08-2019**

Sl No.	Name	Designation
1.	Ms. Neelam Sanghi	ACC (HQ)
2.	Sh. Hemant Jain	FA & CAO
3.	Sh. Jag Mohan	ACC (HQ)
4.	Sh. K.L. Taneja	ACC (HQ)
5.	Sh. V.P. Singh	ACC (HQ)
6.	Ms. Udit Choudhary	ACC
7.	Ms. Uma Mandal	ACC
8.	Ms. Vaishali Dayal	ACC
9.	Sh. V. Ranganath	ACC
10.	Sh. Pankaj Raman	ACC
11.	Sh. Arif Lohani	ACC
12.	Sh. Rajiv Bisht	ACC
13.	Sh. Saurabh Jagati	RPFC-I
14.	Sh. Amit Vashist	RPFC-I
15.	Sh. Brijesh Mishra	RPFC-I
16.	Sh. Amiya Kant	RPFC-I
17.	Sh. Vishal Agarwal	RPFC-I
18.	Sh. Alok Kumar	RPFC-II
19.	Sh. Kaushal Singh	RPFC-II
20.	Sh. A.K. Paliwal	APFC