

**MINUTES OF THE 226<sup>th</sup> MEETING OF CBT (EPF)  
(DELHI, 5<sup>th</sup> March, 2020 AT 10:30 AM)**

The 226<sup>th</sup> 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 State for Labour and Employment (Independent Charge). List of the members who attended the meeting is given in **Annexure A**.

CPFC welcomed the Chairman, the Vice Chairman and all the members. The Chairman said that efforts should be made to hold meetings of the Central Board every 3 months. He gave an overview of the items to be discussed in the meeting.

The Chairman said that the decision for restoration of commuted amount of pension under EPS, 1995, which was taken by the Board in its previous meeting, has been implemented by issue of notification in this regard on 20.02.2020. This has benefitted 6.3 lakh pensioners.

The Chairman informed that the banking agreement for collection and payment between EPFO and State Bank of India (SBI) was renewed in January 2020 for a period of 4 years. In the renewed agreement, SBI has agreed to waive off various service charges which would result in savings of Rs. 15 crore per year. He said that as the Union Territories of Jammu & Kashmir and Ladakh have recently been brought under the coverage of EPF & MP Act, 1952, various issues such as absorption of employees of J&K EPFO need to be addressed. He informed that a proposal for empanelment of Jammu & Kashmir bank as one of the collecting banks for EPFO would be discussed in the meeting.

The Chairman said that for proper functioning of an organisation it is important to address the issues of its staff members on priority. He said that some Members of Parliament had recently met him and discussed problems of staff members of EPFO. He hoped that agenda items on such issues would be brought before the Board in its subsequent meeting and action would be completed in a time bound manner on the decisions already taken by the Board.

The Chairman expressed hope that the Board would take important decisions in the interest of EPFO's subscribers as well as staff members. He then asked CPFC to take up the agenda items.

**Item No. 1: Confirmation of minutes of the 225<sup>th</sup> meeting of the Central Board (EPF) held on 21.08.2019.**

The Board confirmed the minutes of the 225<sup>th</sup> meeting of CBT.

**Item No. 2: Action Taken Statement in respect of decisions taken in the CBT meetings held upto 21.08.2019 (225<sup>th</sup> CBT meeting).**

Shri M. J. Rao said that action taken report should be provided in respect of points raised by the CBT members which are recorded in the minutes. CPFC said that from the next meeting of CBT, action taken report on such points will also be provided.

The Board took note of the information placed before it.

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

Shri A. K. Padmanabhan expressed concern that no meeting of the Executive Committee was held since August, 2019. Shri Michael Dias said that as issues related to pension are very important, meetings of Pension & EDLI Implementation Committee should be held more frequently. Shri P. J. Banasure suggested that a tentative schedule for meetings of committees may be fixed in advance.

The Board took note of the information placed before it.

**Item No. 4: Revised Estimates for the year 2019-20 and Budget Estimates for the year 2020-21 for EPFO and Schemes administered by EPFO.**

Shri Dilip Bhattacharya inquired about the reason for increase in capital expenditure. CPFC informed that the increase is mainly on account of the decisions of the Executive Committee to acquire land and buildings for offices of EPFO operating from rental premises.

Shri Govind Lele sought information about return on investments made by EPFO. Shri Hemant Jain, FA & CAO said that information in this regard has been placed before the Board in agenda item no. 8.

The Board approved the proposal as contained in the agenda.

**Item No. 5: Draft 65<sup>th</sup> Annual Report on the work and activities of the Employees' Provident Fund Organization for the year 2017-18.**

Shri M. J. Rao said that the Regional Committees should conduct at least 2 meetings in a year. CPFC said that directions in this regard will be issued to the concerned offices.

The Vice-Chairman said that the Annual Report for the year 2018-19 should be placed before the Central Board at the earliest.

The Board approved the proposal as contained in the agenda.

**Item No. 6: Renewal of Banking Agreement with State Bank of India for collection of dues and payments to beneficiaries.**

All the members appreciated the efforts of EPFO for renewal of banking arrangement with State Bank of India.

The Board took note of the information placed before it.

**Item No. 7: Empanelment of Jammu and Kashmir Bank as one of collecting banks under EPF & MP Act, 1952.**

The Board approved the proposal as contained in the agenda.

**Item No. 8: Cumulative performance evaluation of Portfolio Managers for the period ended 30<sup>th</sup> September, 2019.**

The Board took note of the information placed before it.

**Item No. 9: Status note on Investment in Exchange Traded Fund (ETF) by EPFO till 31.03.2019.**

The Board took note of the information placed before it.

**Item No. 10: Investments in Bharat Bond Exchange Traded Funds (ETF) Umbrella.**

The Board approved the proposal as contained in the agenda.

**Item No. 11: Management of entire funds of Central Board, EPF by UTI AMC.**

The Board approved the proposal as contained in the agenda.

**Item No. 12: Exercise of early redemption options available in India Bulls Housing Finance Limited (IBHFL) Bonds.**

The Board approved the proposal as contained in the agenda.

**Item No. 13: Buy back Offer on Punjab Infrastructure Development Board bonds.**

The Board approved the proposal as contained in the agenda.

**Item No. 14: Investment in CPSE ETF by EPFO.**

The Board approved the proposal as contained in the agenda.

**Item No. 15: Extension of Tenure of ETF manufacturer of SBI MF & UTI MF till 30/09/2020.**

The Board approved the proposal as contained in the agenda.

**Item No. 16: Extension of Tenure of ETF manufacturer of SBI MF & UTI MF till 30/06/2020.**

The Board approved the proposal as contained in the agenda.

**Item No. 17: Extension of Tenure of External Concurrent Auditor and Custodian upto 30th September, 2020 (as of now, expiring on 31st March, 2020).**

The Board approved the proposal as contained in the agenda.

**Item No. 18: Proposal for Amendment in Selection Criteria of Consultant for Appointment & Review of Custodian and Appointment of External Concurrent Auditor.**

The Board approved the proposal as contained in the agenda.

**Item No. 19: Request for waiver of damages under section 14B of the EPF & MP Act, 1952 in r/o M/s. Nath Pulp & Paper Mills Ltd., (NG/AUR/21222)-consideration.**

The Board directed to revisit the agenda.

**Item No. 20: Hearing of M/s. Rajasthan Petro Synthetics Ltd, Udaipur (RJ/UDR/5239) and for considering their request for waiver of damages levied u/s 14B of the EPF & MP Act 1952.**

The Board heard the representative of M/s. Rajasthan Petro Synthetics Ltd, Udaipur (RJ/UDR/5239) in person.

The representative narrated that the entire assets of the company have been auctioned and they have no source to pay any further damages. The Board heard the representative and after considering the facts and circumstances of the case, the Board directed to revisit the proposal contained in the agenda.

**Item No. 21: Request for waiver of damages under section 14B of the EPF & MP Act, 1952 in r/o M/s. Hindustan Organic Chemical Ltd. (TH/VSH/12152).**

The Board directed to revisit the agenda.

**Item No. 22: List of ineligible cases for waiver of damages rejected by Central Provident Fund Commissioner.**

Sh. Michael Dias said that the provisions of EPF & MP Act related to waiver of damages need to be relooked into as these provisions refer to the Sick Industrial Companies Act which has been repealed in December, 2016.

Shri S. K. Sharma said that there should be more clarity about liability of damages in case of transfer of establishment from one owner to another. Shri Govind Lele said that damages payable by the previous owner is an undue liability for the new owner of the establishment. The Vice Chairman said that as per law the employer is duty bound to verify the liabilities before taking over an establishment from the previous owner.

The Board took note of the information placed before it.

**Item No. 23: Selection of 240 candidates to the post of Assistants (Assistant Section Officer) through direct recruitment examination.**

The Board took note of the information placed before it.

**Item No. 24: Selection of Tata Consultancy Services iON (TCS iON) on nomination basis for conducting Computer Data Entry Skill Test for appointment to the Post of Social Security Assistant in EPFO.**

The Board approved the proposal as contained in the agenda.

**Item No. 25: Extension of probation period in the cadre of Social Security Assistant.**

It was decided that one last opportunity be given to the officials to pass the probationary exam.

The Board approved the proposal as contained in the agenda, with the above modification.

**Item No. 26: Delegation of Power.**

The Board approved the proposal as contained in the agenda.

**Item No. 27: Amendments in Inter-Regional (State) Transfer Policy for the cadre of Social Security Assistants.**

Sh. M. J. Rao said that the required regular service for eligibility for Inter-Regional (State) Transfer should be reduced from 8 years to 5 years. He said that the benefit of the proposed amendment in Inter-Regional (State) Transfer policy should be provided to existing employees also. CPFC said that, at present, the proposal is to amend the Inter-Regional (State) Transfer Policy in order to comply with DoP&T guidelines and other changes can be considered later.

On the request of the members, it was decided that whoever has completed 5 years of service be given an opportunity for Inter-Regional (State) Transfer as a one-time measure. The Board approved the proposal as contained in the agenda, with the above modification.

**Item No. 28: Status of the proposal for “Restoration of the Commuted value of pension after 15 years”.**

The Board approved the proposal as contained in the agenda.

**Item No. 29: Amendment of Employees’ Deposit Linked Insurance Scheme, 1976.**

The Board approved the proposal as contained in the agenda.

**Item No. 30: Amendment to Employees’ Pension Scheme, 1995 to provide for defined-contribution system to grant pensionary benefits based on individual pension account.**

CPFC informed that the Pension & EDLI Implementation Committee had considered this proposal and decided that further deliberations are required on this matter.

The item was deferred.

**Item No. 31: Status Note on Court Cases on Pension.**

The Board took note of the information placed before it.

**Item No. 32: Actuarial Valuation of Staff Pension-cum-Gratuity Fund.**

The Board approved the proposal as contained in the agenda.

**Item No. 33: 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. 34: Changes in the number of sanctioned posts in Junior Hindi Translator (JHT) and Senior Hindi Translator (SHT).**

The Board approved the proposal as contained in the agenda.

**Item No. 35: Status Note on Downgraded Securities of EPFO.**

The Board approved the proposal as contained in the agenda.

**Item No. 36: Investments in Government of India Serviced Bonds.**

The Board took note of the information placed before it.

**Item No. 37: Methodology for calculation of exposure limits for investments in Units of Debt Exchange Traded Funds (ETFs) under proposed category (ii) (g) of Investment Pattern 2015.**

The Board approved the proposal as contained in the agenda.

**Item No. 38: Updated status on default of Infrastructure Leasing & Financial Services Limited.**

The Board took note of the information placed before it.

**Item No. 39: Recommendation of rate of Interest to be credited to EPF members' accounts for the year 2019-20.**

The employees' representatives said that the interest rate for the year 2019-20 should not be lower than for the previous year. After deliberations, the Board decided to recommend the rate of interest of 8.50% for the EPF balances in 2019-20.

**Other Issues**

Shri M. J. Rao appreciated that with the extension of EPF & MP Act, 1952 to the Union Territories of Jammu & Kashmir and Ladakh, social security benefits have been extended to workers in these areas also.

Sh. Michael Dias said that the concerns of employers should also be addressed in the meeting of the Central Board. He said that there should be an amnesty scheme for employers. Shri Sanjay Bhatia said that amnesty scheme is an important concern for employers. The Chairman asked the members to meet him and submit a proposal in this regard.

Shri Harbhajan Singh Sidhu said that the agenda items should be provided well in advance so that meaningful discussion on the agenda items can take place during the meeting. He also expressed concern that all coverable employees have not been covered under EPFO in Delhi. The Chairman asked him to provide details so that necessary action can be taken.

Shri M. J. Rao raised the issue of Sh. Ishwara where in the department has filed appeal before the High Court and later to Supreme Court also. He suggested that the staff issues may be examined favourably.

Shri Sunkari Malleshram suggested that the rule for rounding off of years of service for calculation of pensionary benefits should be modified to avoid undue loss to the members.

CPFC asked all members to give their suggestions regarding modifications needed in the pension scheme so that necessary changes can be made after conducting thorough actuarial valuation.

Shri Dilip Bhattacharya said that many employees who work for short periods on contract basis in different establishments forfeit their provident fund benefits due to lack of awareness. CPFC said that more publicity will be given to make the employees aware of the process for availing their provident fund benefits.

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**ANNEXURE A****List of members who attended the 226<sup>th</sup> meeting of Central Board (EPF)**

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.	Shri K. R. Verma, Addl. Secretary (Labour), Labour Department, Government of NCT of Delhi.	<b>State Government Representatives</b>
6.	Shri Dinesh Kumar, Deputy Labour Commissioner, Labour Department, Government of Haryana.	
7.	Shri D. Lal, Addl. Secretary, Labour & Skills Department, Government of Kerala.	
8.	Shri Raj Kumar Garg, Assistant Labour Commissioner, Labour Department, Government of Punjab.	
9.	Shri Anupam Gane, Joint Labour Commissioner, Labour Department, Government of Rajasthan.	
10.	Shri Arun Chawla	<b>Employers' Representatives</b>
11.	Shri Michael Dias	
12.	Shri M. L. Maurya	
13.	Shri Sougata Roy Choudhury	
14.	Shri K. E. Raghunathan	
15.	Shri S. K. Sharma	
16.	Shri Govind Lele	
17.	Shri Anupam Malik	
18.	Shri Sanjay Bhatia	<b>Employees' Representatives</b>
19.	Shri M. Jagadiswara Rao (substitute of Shri Virjesh Upadhayay)	
20.	Shri Prabhakar J. Banasure	
21.	Shri Sunkari Mallesham	
22.	Shri A. K. Padmanabhan	
23.	Shri Ramendra Kumar	
24.	Shri Harbhajan Singh Sidhu	
25.	Shri Dilip Bhattacharya	<b>Member Secretary</b>
26.	Shri Sunil Barthwal, Central PF Commissioner	

Following members could not attend the meeting:-

1.	Joint Secretary and Director General Labour Welfare, Ministry of Labour & Employment.	<b>Central Government's Representatives</b>
2.	Joint Secretary (Pension Reforms), Department of Financial Services, Ministry of Finance.	
3.	Secretary to the Government of Andhra Pradesh, Labour Department, Hyderabad.	<b>State Governments' Representatives</b>
4.	Secretary to the Government of Chandigarh Administration, Labour Department, Chandigarh.	
5.	Secretary to the Government of Gujarat, Labour and Employment Department, Gandhinagar.	
6.	Secretary to the Government of Karnataka, Department of Labour, Bangalore.	
7.	Secretary to the Government of Madhya Pradesh, Department of Labour, Bhopal.	
8.	Secretary to the Government of Maharashtra, Department of Labour, Mumbai.	
9.	Secretary to the Government of Tamil Nadu, Labour Department, Chennai.	
10.	Secretary to the Government of Telangana, Department of Labour, Hyderabad.	
11.	Secretary to the Government of Uttar Pradesh, Labour Department, Lucknow.	
12.	Secretary to the Government of West Bengal, Department of Labour, Kolkata.	
13.	Shri Ashish Wig	