

Minutes of the 234th Meeting of the Central Board of Trustees (EPF) held on 31.10.2023 at New Delhi

The 234th meeting of Central Board of Trustees (CBT), EPF was held on 31st October, 2023 at New Delhi under the Chairmanship of Shri Bhupender Yadav, Hon'ble Union Minister for Labour & Employment & Chairman, CBT (EPF) in the presence of Shri Rameswar Teli, Hon'ble Minister of State for Labour & Employment & Vice Chairman, CBT (EPF), Ms. Arti Ahuja, Secretary (Labour & Employment) & Co-Vice Chairman, CBT (EPF) and Smt. Neelam Shami Rao, Central PF Commissioner (CPFC) & Member Secretary, CBT (EPF). List of attending members is at Annexure A.

2. CPFC welcomed Hon'ble Chairman, both Vice-Chairpersons and all the members of CBT and requested Hon'ble Chairman to initiate the proceedings of the meeting.

Tabled Item No. A: Presentation on Progress made by EPFO between two CBTs

3. With the permission of Chairman agenda item was taken up by CPFC. Shri A. K. Gupta, RC-1 (Conference) gave the presentation on the progress made by EPFO since the last meeting of the board. The progress and performance on various functional parameters like Net increase in subscriber base, Claim settlement, KYC updation, Pension, Accounts Updation, Grievance redressal mechanism, Social media presence, HR initiatives, Physical Infrastructure and ISD Infrastructure, etc. were presented.

4. Shri Sukumar Damle stated the following:

- i. On staff recruitment and matters related to DPC for promotions, he suggested a detailed discussion to be carried out as there were a number of vacancies that needed to be filled up on priority basis.
- ii. He requested a digital copy of the Legal Newsletter- 'Adyatan', to be distributed to all CBT members, which was agreed to.

5. Shri Harbhajan Singh Sidhu while appreciating the presentation made the following observations-

- i. There were around 9000 vacancies in various cadres for which recruitments were pending and the DPC calendar for promotions was not being followed.
- ii. The approval of the then Chairman, CBT for giving benefits of cadre restructuring from 09.02.2015, as per CBT resolution of 16.12.2017 has not been implemented.
- iii. The information when various vacancies were created and promotions done be made available. Also, delay in VCC and APAR reports causes unnecessary delay in promotions. Data on APFC promotion for last 10 years be given with a break up of APFC Direct recruitments and promotions. Since, all promotions were given on immediate basis and not on due basis leads to financial losses to employees. Further, that DoPT orders were clear that in absence of RR's, promotion can be done on model RR. Furthermore, he noted that employees were compelled to resort to legal action for matters related to seniority and delayed promotions.
- iv. The CBT member's letters are not being acknowledged and there is absence of a system to acknowledge letters from CBT members. He mentioned that letters, jointly signed by all CBT members regarding employee grievances, were submitted to the Minister. These letters were then passed on to the Joint Secretary and subsequently to the CPFC, but no response has been received in return. He requested that the joint memorandum should be personally discussed by the Hon'ble Minister for Labour and Employment.
- v. He mentioned that a one-day strike was organized by the union, resulting in the dismissal of three employees. However, there has been insufficient discussion regarding the reasons behind these suspensions and the punitive actions taken against the employees.
- vi. He expressed concern that instead of addressing policy matters, the discussions were focused on day-to-day issues.
- vii. He suggested raising the wage ceiling to align it with the Employee State Insurance Corporation (ESIC), and added that during the HR committee

discussion, it was proposed that even for employees drawing pay higher than wage ceiling PF should be made mandatory for wage up to 15,000 rupees irrespective of the actual wages, which would potentially add two crore new members. It was supported by both the Employees and Employers Representatives of the CBT.

- viii. He expressed concern about the extensive document of 1200 pages, noting that there is limited time for thorough deliberation, and meaningful discussions could not be held.
 - ix. He added that the criterion for compassionate appointment was very strict and needs revisiting.
 - x. He raised the issue of non release of Productivity Linked Bonus till date to the staff.
 - xi. He requested that staff grievances should be focused by CBT in a special meeting.
6. Shri PJ Banasure proposed that –
- i. CBT meetings should be held once every three months with a limited number of agenda items. He pointed out that in today's meeting there are 28 agenda items for discussion.
 - ii. The unimplemented recommendations of the Anomaly Committee should be implemented.
 - iii. Letters written by CBT members should be replied and for this a nodal officer to facilitate communication with EPFO be nominated.
 - iv. The request transfers of Group B and C employees should be allowed. He mentioned that mutual transfers can be permitted despite ongoing litigation, as these are primarily related to general transfers and not request cases.
 - v. The wage ceiling should be raised to Rs. 25,000/-pm as the minimum wage in many states is in the range of Rs. 22000 - 25,000/-pm. This will help in coverage of many workers employed in various companies, particularly in the cement industry who are presently deprived of PF, EDLI benefits. They will come under the purview of the EPF Act and get social security benefits.

- vi. The EPF Act should apply to companies with at least 10 employees, not 20 as is currently the case.
 - vii. He pointed out a proposal from 2013 to convert the Jalgaon District Office into a RO but no action has been taken since then. He explained that the distance between Jalgaon and Nashik is 250 km, making it difficult for employees, especially those with limited means, to travel.
 - viii. He mentioned that it had become a normal practice to call staff to the office on weekends due to high workload and that the matter be looked into.
 - ix. He suggested that employers be sensitized on the matter of submission of Prayas Claims.
7. Shri Dilip Bhattacharya, suggested that
- i. In all Regional Committee meetings, there should be an agenda dedicated to coverage and litigation and that 4 meetings of Regional Committee should take place every year in all states.
 - ii. The PF and ESI Acts were being violated in several areas. In many companies, salaries were being paid in cash because employees felt that PF deductions will reduce their take-home pay. Social Security is being by passed by giving attraction of more salary. These evasive practices needs to be probed.
 - iii. In each district one EPFO office should be established.
 - iv. The ceiling should be raised to at least match the ESIC wage ceiling. Additionally, the minimum pension should be increased to Rs. 3,000. He cited the rising CPI since the initial announcement of a 1,000 rupee minimum pension. He mentioned that the Ministry of Finance had raised objections to increasing the minimum pension and requested that this issue be discussed with them.
8. Shri Sunkari Malleshram said that
- i. About 32000 demand notices were raised in respect of higher pension cases and the demand was deposited with EPFO, there is a need on further clarity on amount and pension calculation.

- ii. He mentioned that The Press Association, a registered association, had informed that many of its members were unable to apply for higher pensions. They may be allowed to apply.
 - iii. He suggested that the sanctioned strength of staff be doubled from the current since the workload had also doubled. He added that while the study by IIT Delhi is pending, at least a 30% increase in sanctioned staff strength should be considered.
 - iv. He also highlighted that some EO/AOs have not been promoted for last 20 years.
 - v. The issue of KYC of Beedi workers was raised, particularly in the context of field trips in Hyderabad and Sagar. He called for the resolution of KYC problems of Beedi workers. Furthermore, he suggested that Beedi work should be recognized as a cottage/home-based industry, which would particularly benefit female employees. He said that being seasonal work Beedi workers had nearly 150 days non-contributory period every year and thus the pension eligibility happened in 20 years instead of 10. They should be declared as seasonal workers to resolve this issue.
 - vi. He added that in cases where staff could not be promoted due to vigilance angle leading to blocking of posts, their immediate juniors be promoted on an adhoc basis.
 - vii. He further raised the issue of blocked UANs due to ABRY issue and emphasized on providing facility to ROs to unblock such UANs instead of centrally.
 - viii. He added that employees having overlapping service were unable to withdraw their PF and matter should be looked into.
 - ix. He suggested that options for transfer be opened for staff.
9. Shri A K Padmanabhan stated that
- i. CBT should happen at shorter intervals and sufficient time should be given to read agenda items. Sub committees have been reconstituted just when CBT time is getting over. All members have not been represented in various committees.
 - ii. He requested that Software upgradation be expedited on top priority.
 - iii. Conditions of the offices should be improved.

10. Shri Govind Lele mentioned that
 - i. Ease of Doing Business has increased, payments have become online for the members increasing their facilities. Inspections have been made transparent with new SOP requiring prior permissions. Pension has become easier as PPO issued on the same day.
 - ii. Many Non Profit Organisations and NGOs were excluded under Section 16 till 2015, but now 7A dues were being assessed causing great hardships to these NGOs.
 - iii. He further requested that a limitation clause be included in 7A hearings.
 - iv. He informed about various steps taken by IT committee. He also informed that as an employer, he is able to file his returns in a smooth manner. The members also have adequate facilities and better tools.

11. Shri S K Sharma suggested that
 - i. All offices of EPFO may follow the Madhya Pradesh model of 'Tatkal case file' to settle death cases on top priority.
 - ii. He raised the issue of withdrawing KYC prosecutions as decided in previous meeting, but in reality an undertaking clause was later introduced which led to hardly any withdrawal of prosecutions. These conditions be withdrawn so that a meaningful solution can be arrived at.

12. Shri Ashish Wig commended efforts made under Nidhi Aapke Nikat and suggested a national mass campaign and advertising should be taken up to increase footprint of EPFO which will lead to lower grievances and better coverage.

13. Shri Sanjay Bhatia suggested that a facility be provided to Principal Employers to pay PF on the behalf of their contractors. He also sought information on opening of offices.

14. Shri KE Raghunathan said that
- i. Software upgradation needs urgent interventions as it is the backbone of Organisation.
 - ii. He suggested a booklet on Pension issues be released highlighting the various clarifications given and way ahead.
 - iii. He suggested greater transparency in EPFO investments; that FIAC should make quicker decisions to get best results.
 - iv. He raised concern about absence of a full time FA & CAO in the organisation. He added that investment experts were needed to manage the huge corpus.
 - v. The threshold limit is 15000/- since last 9 years and today minimum wages have exceeded this limit. Several eligible employees gets excluded because of this. EPFO must increase it and rationalize it.
 - vi. He said that there is 40-50% shortage of staff in offices and software glitches affects the staff morale. The workload is also very high.
15. Shri Anupam Malik suggested that
- i. Various services offered by EPFO should be benchmarked in a charter and accountability should be set for not meeting benchmarks.
 - ii. He said that in many cases DSCs were not being approved for 3-4 months leading to delay in KYC updation.
 - iii. He suggested an automatic annual increase in wage ceiling tagged to minimum wages which would avoid bringing the matter to CBT and the Government repeatedly.
16. Shri Hiranmay Pandya commended the progress made in various presentations and raised the following issues -
- i. Infrastructure upgradation needs to be fast tracked.
 - ii. IT infrastructure strengthening is top priority area for the Organisation.

**Item No. 1: Confirmation of minutes of the 233rd meeting of the Central Board
(EPF) held on 27th-28th March, 2023**

17. It was pointed out that 3 comments were received from the members to the ATR and reply has been given to them.
18. Shri Harbhajan Singh Sidhu said that his comments were not replied to and not even mentioned. He also raised the issue of fire accidents in Anaj Mandi.
19. Shri Ram Niwas Sharma, Labour Commissioner Govt. of Delhi replied that in 2 recent Regional Committee meeting this matter was discussed and Shri Sidhu was also part of one such meeting. He also requested Shri Sidhu to share if any matter is still unresolved and Govt. would try to address them.
20. Shri PJ Banasure requested that reply be given to his query on regularisation of contractual employees of EPFO. Chairman informed that reply will be given separately.
21. Shri Sukumar Damle raised
- i. The issue of levy and recovery of damages on Non Profit Oriented trusts/ NGOs and blind schools be resolved. Wherever the delay/ default is not intentional.
 - ii. He suggested that Jute mills in West Bengal were misusing the exemption status, and exemption of defaulter trusts should be cancelled. He enquired about action not being taken against such exempted trusts.
22. Shri Anupam Malik pointed out a case of Thane where the court had recommended grant of exemption but no action was taken by EPFO.
23. It was informed to Shri Sukumar Damle that currently there is no such remedy against levy of damages on NGOs, however in the Social Security Code this issue could be addressed. Further, the matter related to exempted establishment is being discussed by Exempted Establishments Committee.
24. Chairman advised that the matter regarding levy of damages on NGOs to be taken up in next CBT.

With the said observations the proposal of agenda item no. 1 was approved.

Item No. 2 : Action Taken Statement in respect of decisions taken in the 232nd CBT meeting held on 27th - 28th March, 2023

25. CPFC informed that this is regarding deferred ATR and hence circulated as it was, no comments have been received on this ATR from the members.

26. Shri Michael Dias raised questions regarding sl. no. 3 of ATR -

- i. About very stringent and arbitrary provisions under section 14B and said that while the ESIC courts provide judicial remedy against ESIC's orders, whereas no such remedy is available within EPFO.
- ii. He suggested comments and suggestions of CBT members be incorporated while drafting Code on Social Security.
- iii. He said that it was unfair that after giving clearance to the books of accounts of the establishments, now EPFO after Hon'ble Supreme Court judgment on Vivekananda Vidyamandir case is assessing dues on allowances retrospectively.

27. Shri Sukumar Damle added that provisions of BIFR are irrelevant, still EPFO is insisting on it. Thereby many establishments are not being considered for waiver of damages.

28. Shri Govind Lele stated

- i. Retrospective assessment of dues for more than 20 years back is detrimental for the establishments. Adding to distress is the provisions of section 14B which is akin to double jeopardy. And that the section 7Q and 14B combined amount crossed 200% of PF dues in some cases.
- ii. He added that in many 7As orders dues were assessed without identification of beneficiaries leading to increased inoperative accounts.
- iii. He also raised the matter of Employee Enrollment Scheme 2017 at sl.no.11 of ATR.

29. Shri Sanjay Bhatia and Shri Sukumar Damle inquired the status on Actuarial report. CPFC informed that actuarial work is under progress and after its conclusion a presentation will be given before the Pension and EDLI Implementation Committee and the Central Board on the same.

30. Shri AK Padmanabhan highlighted that in many cases 7A amount was received but not disbursed to employees.

31. Shri Harbhajan Singh Sidhu recommended that Vivekananda Vidyamandir judgement be implemented effectively.

32. Shri Sunkari Mallesham raised the matter of medical benefits to pensioners at sl.no.18 of ATR.

33. Shri Dilip Bhattacharya took up the matter of surrender of exemption of a trust in Kolkata where past accumulation of nearly 9000 employees is to be accounted for.

34. It was informed that matter of medical benefits to pensioners is under discussion with ESIC. For exploring options of providing medical facilities to the pensioners, PEIC also heard the proposal of ESIC

35. Chairman inquired the status on ATR at Sl.no. 6. And additionally asked to explore the Aadhar Payment Bridge also.

CPFC informed that matter is being looked into.

36. Chairman asked to expedite the report on Employee Enrollment Scheme 2017 by V. V. Giri National Labour Institute.

37. Chairman directed to give a presentation within a month on analysis conducted by PDNASS on matter at Sl.No. 27 of ATR.

Thus with the above discussion the ATR was taken note of and was approved.

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

38. CPFC introduced this informative agenda item.

39. Chairman directed that JS-FA should examine the minutes of Investment Committee; approval of item will be done after reexamination by JS-FA.

Thus the agenda item stands deferred with regard to minutes of meeting of FIAC and the Board took note of the minutes of other Committees.

Item No. 4: Draft 70th Annual Report on functioning of the Employees' Provident Fund Organisation (EPFO) for the year 2022-23

40. CPFC introduced the agenda and informed the Board that a detailed discussion was undertaken during the 108th meeting of EC.

With no further discussion the Board took note of the 70th Annual Report and approved the same.

Item No. 5: Proposal for Surrender/Cancellation of EPF Exemption under Section 17 (4) of EPF & MP Act, 1952, to Appropriate Government (09 Proposals)

41. CPFC introduced the agenda and informed the Board that these proposals are discussed and recommended by the EEC.

42. Secretary pointed out that around 25% employees are covered under the Exempted establishments and when they come under the purview of EPFO, their impact should be studied, as discussed in EC.

With the above discussion the Board approved the proposal under agenda item no. 5.

Item No. 6: Proposal for Surrender/Cancellation of EPF Exemption under Section 17(4) of EPF & MP Act, 1952 to Appropriate Government (10 Proposals)

After a brief discussion the Board approved the proposal under agenda item 6.

Item No. 7: Informative Agenda regarding Surrender / Cancellation / Grant of Exemption Cases

43. CPFC introduced the informative agenda and stated that significant progress is made due to excellent oversight and good work of EEC in this regard.

44. JS & FA pointed that 46 applications are pending for the approval on grant of exemption. Noting that no exemptions have been granted in the past five years. The validity of these exemption applications should be examined.

45. It was explained that an application for exemption remains valid until it is formally withdrawn. It was further informed that the 46 pending cases are being actively pursued the concerned establishment/ trusts are requested to complete the formalities.

46. It was requested that the state governments to promptly notify the grant or cancellation of exemption cases recommended by the Central Board, to give a legal sanction to the status of the trust.

47. Shri Govind Lele raised the issue of exemption of Maharashtra State Electricity Board, after trifurcation of MSEB the 3 establishments formed are still not notified by the State Government.

48. Shri Anand Dhanaji Bhosale, Assistant Commissioner of Labour, Government of Maharashtra replied that the matter will be looked into.

With the above discussion, the Board approved the proposal under agenda item no. 7.

Item No. 8: Information to be placed before the CBT, EPF in accordance with Para 23 of the EPF scheme

49. Shri Sunkari Malleshram pointed out that around 70 posts were lying vacant in the RPFC-1 cadre leading to stagnation in lower cadres.

50. It was replied that the feeder cadre Officers RC II do not have eligible years of service for promotion. These 70 officers will become eligible on 1st January 2024 and accordingly these posts will be filled.

It was suggested that detail of pending vacancies should also be given to which CPFC agreed.

With the above discussion, the Board noted the agenda item no. 8.

Item No. 9: Status of Promotions, MACP/NFU and compassionate appointments given to Group B and C officials and posts filled through Direct Recruitment in Group B and C in the last 3 years

51. Shri PJ Banasure appreciated the work done, but the extent be increased and all eligible should be promoted at the earliest.

52. Shri Dilip Bhattacharya raised the issue of non-finalisation of seniority list and not giving timely promotion to clerical staff.

53. Shri Harbhajan Singh Sidhu pointed out that

- i. Out of 9000 vacancies only 3186 have been filled.
- ii. Many promotions were delayed due to non-finalisation of seniority lists.
- iii. It was decided in EC to prepare a chart depicting total due, from which date and total promotion given. This needs to be tabulated
- iv. He added that 50% post in APFC cadre were to be filled by promotions but it is not done and instead supernumerary promotions were done against government rules. He said that officers promoted under supernumerary become senior to UPSC recruited APFCs.

54. It was informed that

- i. The draft seniority lists for all cadres have been notified and their finalization is also been done wherever court stay is not there.

- ii. The chart on promotions along with pending cases will be placed in the next EC meeting.
- iii. After cadre restructuring the APFC posts got reduced and hence supernumerary benefit was given. In the last 2 years EPFO has regularized all such supernumerary persons.
- iv. Recently some adhoc promotions in Official Language cadre have also been given to address the issue of stagnation.

With the above discussion, the Board noted the agenda item no. 9.

Item No. 10: Information regarding status of Rationalization of Big Regional Offices

55. CPFC introduced the agenda highlighting the importance of this step.
56. Shri Dilip Bhattacharya recommended that many Industrial areas of West Bengal EPF offices are not created eg. in Asansol, Midnapore and Purulia districts. New District offices to be opened in such places, and Regional offices to be restructured as per the growing industrialization and increasing membership.
57. Shri Hiranmay Pandya added that the same should be done in Vadodara and Ahmedabad districts.
58. Shri PJ Banasure said that 5 offices were operating in one building in Bandra and that needs to be addressed.
59. Shri Sunkari Malleshham added that pin code overlapping between offices needs to be removed to avoid any confusion.
60. It was informed that rationalisation would take care of such challenges. It was informed that officers have been asked to scout for public sector buildings for shifting of offices.

With the above discussion, the Board noted the agenda item no. 10.

Item No. 11: Proposal for creation of posts for Strengthening of EPFO Head Quarters

Since this proposal was deferred by EC, hence the agenda item stands withdrawn.

Item No. 12: Amendments to the Recruitment Rules of Technical Cadres of Information Services Divisions

61. CPFC introduced and explained the agenda.
62. Shri Harbhajan Singh Sidhu said that there were around 280 DPAs who could be given on the job training and be promoted to programmer.
63. It was replied that a limited departmental exam will be conducted for DPAs for promotion to programmer and before the exam proper training will be given to DPAs. Those who qualify the exam will become Programmer and those who couldn't will be addressed as per AIRC for which modalities are under preparation.

With the above discussion, the Board approved the proposal in agenda item no. 12.

Item No. 13: Assured Financial Upgradation Scheme for SSA Cadre

64. It was informed that this item will be placed before Board after placing the same in EC.

Thus, the agenda item stands deferred.

Item No. 14: Proposal for deletion of the first proviso of para 60 (2) (b) of the EPF Scheme

It was informed that this agenda needs further examination. Hence, the agenda item was withdrawn.

Item No. 15: Joint Requests under Paragraph 26(6) of EPF Scheme 1952

65. CPFC introduced and explained the agenda. She emphasized that its prospective and will be done in a phased manner.

66. Shri Michael Dias inquired if there is any mechanism to retract the higher contribution either by employer or employee in future, as it's a one way track now and appears unfair.

67. It was replied that presently there is no such provision, but will look into that.

68. Chairman asked to examine this aspect also.

With the above discussion, the Board approved the proposal in the agenda item no. 15.

Item No. 16: Information Agenda Item – Downtime Period of EPFO Portals

69. CPFC introduced and explained the agenda in detail.

The Board took note of the informative agenda item no. 16.

Item No. 17: Approval of Detailed Project Report (DPR) & Operationalisation of Next-Gen Security Operation Centre as a Managed Service

70. CPFC introduced and explained the agenda. It was also informed that the GFR will be followed and process will be through GeM.

With the above discussion, the Board approved the proposal in the agenda item no. 17.

Item No. 18: Decisions taken and instructions issued for implementation of Hon'ble Supreme Court Judgement dated 04.11.2022 regarding Pension on higher wages - Proposal for ratification, approval and further directions, if any.

71. The agenda was introduced and explained to the members.

Chairman directed that this item be put up in next meeting with more details. Agenda was deferred.

Item No. 19: Informative Agenda regarding progress on 5 Year Perspective Plan for enhancement of Physical Infrastructure of EPFO

The Board took note of the agenda item and was approved.

Item No. 20: Five Year Perspective Plan for Information Services Division of EPFO

72. The agenda was introduced and explained to the members. It was informed that the IT committee has also seen it.

73. Chairman directed that this matter to be thoroughly examined by the IT committee. And then be placed in the next meeting of CBT.

With the above observation, the agenda item was deferred.

Item No. 21: Audit Manual

74. The agenda was introduced and explained to the members.

75. JS&FA intimated that she had sent some points for inclusion in the manual.

76. Chairman informed that the manuals can be updated as and when need be.
The Board took note of the item and item stands approved

Item No. 22: Recovery Manual

77. The agenda was introduced and explained to the members

78. Shri Michael Dias stated that the Recovery manual is totally one sided and lacks on principles of natural justice.

The Board took note of the agenda item and was approved

Item No. 23: Exemption Manual

79. The agenda was introduced and explained to the members

The Board took note of the agenda item and was approved.

Item No. 24: Communication Framework Document

80. The agenda was introduced and explained to the members. Sh. Damle said that no response is given to mails of CBT members. Chairman directed that this may be done urgently. CPFC promised that this shall be done.

The Board took note of the agenda item and was approved.

Item No. 25: Action Taken Statement in respect of decisions taken in the 233rd CBT meeting held on 27th -28th March, 2023

81. The agenda was introduced.

82. Shri Sukumar Damle raised the issue of communication gap between CBT members and EPFO.

83. Shri Harbhajan Singh Sidhu said that this agenda book was received on 29.10.23, and there was insufficient time to properly go through it.

84. Chairman advised that actionable points of ATR be discussed in the next Board meeting.

Item No. 26: Request by M/s Sarvaraya Textiles (GRRJY/370) for waiver of damages for the period 04/1996 to 01/2003

The Board took note of the agenda item and was approved.

Item No. 27: Request submitted by M/s Agarpara Jute Mills Ltd (WB/BKP/37) for waiver of damages for the period 09/2006 and 12/2010 to 03/2012

The Board took note of the agenda item and was approved.

Item No. 28: Waiver of damages in respect of the exempted establishment M/s Nepa Limited, Neapanagar Dt. Burhanpur, (MP) bearing code No. MP/201-S

85. Chairman also directed to place an ATR on agenda item 26, 27 & 28 in the next CBT meeting.

The Board took note of the agenda item and was approved.

Tabled Agenda Item: Proposal for considering investment in the asset classes included in Category (V) and for the framing of investment guidelines for InvITs and REITs

86. The agenda item on considering investments in the asset classes included Category – V for InvITs and REITs was tabled and introduced.

87. Chairman forefronted in the discussion that only Govt. sector bonds under InvITs and REITs will be invested into.

88. Shri Anupam Malik welcomed the suggestion and said that newer instruments are necessary for growth of funds. This should be coupled with adequate information on where the funds are being invested. He also suggested that this is workers money it should be invested in known/ proven good performing bonds/ Mutual Funds, of Govt. / PSUs.

89. It was informed that information regarding investments is provided in the annual report which is in the public domain.

90. Chairman clarified that agenda is only about investment in InvITs and REITs in the Govt. backed assets. The suggestion regarding other instruments is not relevant to the agenda.

91. JS(FA) said that in principal the agenda can be accepted. The wording in the guidelines can be made more objective and have proper parameters, for example ratings by two top credit rating agencies, can be further qualified.

92. Secretary commented that there are two proposals: -

- i. First being, within notified POI allow investment in the units of PSU sponsored InvITs and REITs.
- ii. Secondly, that of safeguards and guidelines in the Annexure-E. In these guidelines, a modification may be included that InvITs and REITs are regulated by SEBI.

iii. To improve the objectivity, the Investment Committee may look into these guidelines and the safeguards adopted by other Organisations, same can be adopted by EPFO.

93. Chairman further asked Shri PJ Banasure and Shri KE Raghunathan that whether purchase and selling of any bond i.e. Bharat 22/CPSE ETFs is delegated within the powers of Investment Committee. Shri KE Raghunathan responded that he is not a member of Investment Committee at present, though he thinks that FIAC is delegated for such task.

94. Shri KE Raghunathan explained the reason behind formation of FIAC. He said that it comprises of CBT members and Govt. representatives, to enable quick decision making in matters concerning finance and investment, FIAC is empowered to listen to various inputs, take a considered view make a decision and come to CBT for ratification or explanation or providing additional information.

95. Chairman while accepting the view of Shri KE Raghunathan said that such decisions should be taken as per approved guidelines and monitored by the Investment Committee.

The Board approved the proposal in the agenda on investments in Govt/PSU backed assets of SEBI regulated instruments of InvITs and REITs subject to the guidelines being re-examined by Investment Committee.

96. Shri Harbhajan Singh Sidhu and Shri Dilip Bhattacharya again raised the issue of higher pension. Shri Sidhu said that net demand should be informed to the pensioner. It was clarified that demand notice has net demand and also seeks the consent for any diversion.

97. Shri Sunkari Malleshram said whether arrears will be counted towards net demand. It was clarified that the arrears cannot be counted towards the net demand.

98. The Chairman also said that if there are any specific issues on higher pension, members may inform in writing.

99. Shri Dilip Bhattacharya raised the issue of losses in equity and how they will be made good. The Chairman clarified that the Board is not considering any issue of equity.

100. Shri Dilip Bhattacharya said that the bad investments in Reliance Capital should be secured.

101. It was informed that Reliance Capital is under liquidation and EPFO is part of the committee of creditors. EPFO is well represented by our officials and advocate on the committee and constant follow up is being done.

102. Chairman directed CPFC to have a one to one meeting with those CBT members whose references are not resolved, and a detailed reply should be sent to the members. At a later date he will have a direct interaction with them on those points for effective resolution.

103. Chairman brought to the notice of the Board that during the recent G-20 meetings all the proposals of the Ministry of Labour were unanimously accepted by all the participating countries. In the main Leaders declaration also issues of social security and formalization of informal economy were considered. He appreciated the good work done by all concerned.

Meeting ended with vote of thanks to the Chair and the members.

ANNEXURE A

List of members who attended the 234th meeting of Central Board (EPF)

1.	Sh. Bhupender Yadav, Hon'ble Minister for Labour & Employment	Chairman
2.	Shri Rameswar Teli, Minister of State for Labour & Employment	Vice-Chairman
3.	Ms. Arti Ahuja, Secretary, Ministry of Labour & Employment	Co-Vice-Chairman
4.	Sh. Ramesh Krishnamurthy, Addl. Secretary, Ministry of Labour & Employment	Central Government's Representatives
5.	Ms. G. Madhumita Das, Additional Secretary & Financial Advisor, Ministry of Labour & Employment	
6.	Shri Vibha Bhalla, Joint Secretary, Ministry of Labour & Employment	
7.	Sh. Rajesh Panwar, Joint Director, Deptt. Of Economic Affairs, Ministry of Finance	
8.	Shri Rohit Gupta, Joint Secretary, Govt. of UT Chandigarh	State Government Representatives
9.	Shri R.N. Sharma, Labour Commissioner, Government of NCT of Delhi.	
10.	Shri Anand Dhanaji Bhosale, Assistant Commissioner of Labour, Government of Maharashtra.	
11.	Shri Markandey Shahi, Labour Commissioner, Government of Uttar Pradesh	
12.	Shri Anjaneyulu.V, Labour Commissioner to the Government of Andhra Pradesh, Labour Department, Hyderabad.	
13.	Shri Kaushal Kataria, Additional Chief Inspector of Factory-Gurugram, Government of Haryana	
14.	Shri Barun Kumar Ray, Addl. Chief Secretary (Labour), Government of West Bengal	
15.	Shri Mohammad Mohsin, IAS, Principal Secretary to the Government of Karnataka, Department of Labour, Bangalore.	
16.	Shri Kumar Jayant, Addl. Chief Secretary to the Government of Tamil Nadu, Labour Department, Chennai.	

17.	Dr. E. Gangadhar, Addl. Commissioner, Government of Telengana	
18.	Shri Michael Dias	Employers' Representatives
19.	Shri Sougata Roy Choudhury	
20.	Shri Ashish Wig	
21.	Shri K. E. Raghunathan	
22.	Shri S. K. Sharma	
23.	Shri Govind Lele	
24.	Shri Anupam Malik	
25.	Shri Sanjay Bhatia	
26.	Shri Hiranmay J. Pandya	Employees' Representatives
27.	Shri Prabhakar J. Banasure	
28.	Shri Sunkari Mallesham	
29.	Shri A.K. Padmanabhan	
30.	Shri Sukumar Damle	
31.	Shri Harbhajan Singh Sidhu	
32.	Shri Dilip Bhattacharya	
33.	Ms. Neelam Shami Rao, Central PF Commissioner	Member Secretary

Following members could not attend the meeting:-

1	Secretary to the Government of Kerala, Labour Department, Thiruvananthapuram.	State Governments' Representatives
2	Secretary to the Government of Madhya Pradesh, Department of Labour, Bhopal.	
3	Secretary to the Government of Gujarat, Labour and Employment Department, Gandhinagar.	
4	Secretary to the Government of Rajasthan, Department of Labour, Jaipur	
5	Secretary to the Government of Punjab	
6	Shri Arun Chawla	Employers' Representatives
7	Shri Atul Sobti	