

EMPLOYEES' PROVIDENT FUND ORGANISATION
DRAFT MINUTES OF THE
184th MEETING OF CENTRAL BOARD OF TRUSTEES (EPF)

Meeting: Central Board of Trustees, Employees' Provident Fund

Date: 11.11.2008

Venue : Employees' Provident Fund Organisation,
Conference Hall, 3rd Floor,
Bhavishya Nidhi Bhawan,
Bhikaiji Cama Place, New Delhi-110 066.

The 184th meeting of the Central Board of Trustees (Employees' Provident Fund) was held under the Chairmanship of **Shri Oscar Fernandez**, Hon'ble Minister of State (Independent charge) for Labour and Employment and Chairman, Central Board of Trustees (Employees' Provident Fund).

The following members were present at the Meeting:

<p>Smt. Sudha Pillai, Vice Chairperson, CBT (EPF) & Secretary to Govt. of India, Ministry of Labour & Employment Government of India, New Delhi.</p> <p>Shri S. Krishnan Special Secretary to the Government of India, Ministry of Labour & Employment Government of India, New Delhi.</p> <p>Shri Rajesh Verma JS & FA (L&E), Ministry of Labour & Employment Government of India, New Delhi.</p> <p>Dr. Shashank Saksena, Director (Pension Reforms), Deptt. Of Economic Affairs</p>	<p>Central Government Representatives</p>
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Ministry of Finance, Govt. of India.	
<p>Dr. G. Sanjeeva Reddy Shri Girish Awasthi Shri A.D. Nagpal Shri W.R. Varada Rajan Shri B.N. Rai Shri M. P. Patwardhan Shri Ashok Singh Shri Sankar Saha Shri D. L. Sachdev Shri Nirmal Ghosh</p>	Employees' Representatives.
<p>Shri S.K. Tripathi, Special Secretary, Labour Govt. of Uttar Pradesh</p> <p>Shri Vishnu Kumar Sharma, Joint Labour Commissioner, Deptt. of Labour, Alwar, Govt. of Rajasthan. (Representing Principal Secretary Labour, Rajasthan).</p> <p>Dr. T. Pradhan, Resident Commissioner, Govt. of Orissa (Representing Principal Secretary, Orissa)</p> <p>Shri R.P. Gupta, Joint Director (IS&H), Labour Department Govt. of Haryana.</p>	State Government Representatives
<p>Dr. Ram Tarneja Shri R.A. Wig Shri Babu Lal Todi</p>	

Shri Santosh Saraf Shri Sharad Patil Shri P. Rajendran Shri S.S. Rathi Shri U.K. Dikshit	Employers' Representatives.
Shri A. Viswanathan Central Provident Fund Commissioner	Member Secretary.

The following members could not attend the meeting due to pre-occupation and were granted leave of absence:

Shri S. K. Srivastava, Joint Secretary (SS) Ministry of Labour & Employment Government of India, New Delhi.	Central Govt. Representative
Shri J. P. Chowdhary	Employer Representative

The following members were absent from the meeting:

Secretary (Labour) Andhra Pradesh Secretary (Labour) NCT, Delhi Secretary (Labour) Bihar Secretary (Labour) Karnataka. Secretary (Labour)	State Government Representatives
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Maharashtra. Secretary (Labour) Assam Secretary (Labour) West Bengal Secretary(Labour) Punjab Secretary(Labour) Madhya Pradesh Secretary(Labour) Tamil Nadu Secretary(Labour) Gujarat	
Shri B. P. Pant	Employers' Representative

The list of officers of the Employees' Provident Fund Organisation who attended the meeting is given at **Annexure – 'A'**.

The Chairman, CBT welcomed all the members of the Board to the 184th meeting of the CBT, EPF. He welcomed the new members to the CBT, EPF namely, Shri Nirmal Ghosh representing the Employees, Shri R.A. Wig, Shri S.S. Rathi and Shri U.K. Dikshit representing the Employers. He informed that being the second regular meeting of the new Board a large number of agenda were placed for consideration of the Board. He specifically drew attention of the house to three agenda items that needed special consideration of the Board. He informed that the Employees Provident Fund Organisation had embarked upon a comprehensive cadre restructuring to address various staff issues such as career aspirations, adequate manpower requirement in various grades of officers and staff and to have a progressive human resource policy to attune the organisation with the changing business environment. To address these issues in a scientific and professional manner XLRI, Jamshedpur was hired to study and give comprehensive report. After carrying out detailed studies and interactions with the officers community and service associations of the Organisation XLRI, Jamshedpur handed over a comprehensive Report to EPFO. To ensure its speedy implementation the Board constituted a Sub-Committee under the Chairmanship of Addl. Secretary, Labour & Employment (now Special Secretary) with employers, employees and government representatives to study and analyse the report for implementation of the recommendations. The sub-committee extensively deliberated on the recommendations of the XLRI, Jamshedpur and its interim recommendations were placed in last meeting. On his directions the Sub-Committee had considered the views of some of the members raised and the recommendations of the Sub-Committee were placed for consideration again.

The second item he highlighted was on the Amnesty Scheme for the Employers to promote voluntary compliance from them. This issue has also been raised by many members from to time and an attempt has been made to address this issue. He then observed that the third item was an agenda proposal from the Employees representatives with a view to protect the interest of contract workers which also required attention of the Board. With the expectation that that all the issues would be debated he invited the Central Provident Fund to introduce the items. However, before the items could be introduced some members sought permission of the chair to raise their observations. The Chairman permitted to have an open house session and invited comments from the members present.

Shri Girish Awasthi with the permission of the chair invited attention of the Chairman to his letter dated 23.10.2008. He observed that the Chairman had permitted the members to place their agenda before the Board in the 183rd meeting of the Board. He had requested for bringing agenda items on appointment of Multiple Fund managers in view of the changed market scenario, on extension of social security cover to contract workers and constitution for Sub-committees for monitoring at CBT level but only one has been addressed. He has also brought to notice the abnormal delay in recruitment of staff in PFD and submitted a protest letter on the Notification amending the EPS 1995 withdrawing the pensionary benefits unilaterally. On these issues no response has been forthcoming from any quarter.

Shri W.R. Varada Rajan observed that he had written a letter to the Chairman on 31.10.2008 expressing his anguish on the notification of amendments to the three

Schemes and in particular Employees' Pension Scheme, 1995 which was a unilateral decision of the Government keeping the Central Board of Trustees in dark. He observed regarding amendment to the table for calculation of damages to be levied from the employers was a subject matter placed before three successive meeting of the CBT held during the current year and the matter was deferred on all the three occasions. Regarding the withdrawal of benefits payable under the Employees' Pension Scheme, there were three meeting with the Central Trade Unions in which assurance was given that the benefits will be continued. He also pointed out that the matter of amendment to the pension scheme was already before the Pension Implementation Committee (PIC) and the committee which is looking into comprehensive reforms and thus, the action for issuing the notification in this manner is not understood. Specific to the amendments made he observed that commutation is an integral part of pension and increase in the reduction rate will cost the pensioners severely. Under Pension Scheme there is no minimum pension guarantee for new entrants after 1995 and hence, the interests of pensioners are not protected. He therefore, pleaded that the notification issued by the Govt. may be rescinded and the matter may be looked into de novo. Regarding the appointment of multiple fund managers, he desired that the matter will be discussed while taking up the item on confirmation of minutes.

Sh. A.D. Nagpal also informed that he had written a letter on the unilateral decision for amending the three schemes recently. With regard to the amendment in the Employees' Pension Scheme, 1995, he observed that the Board in all its sincerity had approved the amendment Table B & D of the scheme but the recent notification is objectionable and needs to be withdrawn.

Sh. B.N. Rai also drew attention to his letter dated 5th November, 2008 conveying his protest against the unilateral amendments made to the three schemes and specially to the Employees' Pension Scheme, 1995. He supported the proposal of Sh. Girish Awasthi for introducing agenda items and for constitution of Sub Committee to monitor coverage, legal cases and grant of new code numbers. He desired that agenda should be placed before the Board at the earliest.

Sh. M.P. Patwardhan also invited attention to his letter dated 5th November, 2008 regarding the appointment of Multiple Fund Managers by the EPFO. He has desired that the matter may be reviewed in the view of the recent events that have taken place in World over with regard to financial mismanagement. He endorsed the views expressed by Sh. Varada Rajan, Sh. A.D. Nagpal and Sh. B.N. Rai on the matter of EPS amendment.

Sh. Sankar Saha observed that the withdrawal of benefits to the Pensioners is creating panic among the pensioners. The matter has to be discussed in the Board again on priority. Regarding appointment of Private Fund Managers, he desired that in the given circumstances he must not go for Private Fund Managers. It is better to have lower rate of return than risking with private fund manager. In the previous meeting a decision was taken to appointment Private Fund Managers on majority basis, but a decision on such a sensitive issue should not be done on majority basis.

Sh. D.L. Sachdev endorsed the views of Sh. Sankar Saha. He observed that without considering the views of the Central Trade Unions the benefits have been

reduced. Such unilateral action is much against the principle of tripartism. Regarding the appointment of Private Fund Managers he observed that in view of the recent happenings in the financial sector and collapse of the banking system in which ICICI Bank is involved if it is possible the matter should be reviewed without abrogating the agreements made with the Fund Managers. He suggested that it would be better to revert back to Public Sector Banks. He also drew attention of the Chairman to the Meeting with the Finance Minister and desired to know the progress made on the discussions.

Sh. Nirmal Ghosh observed that there are actuarial reports for enhancement of Pension and after long deliberations the Board had decided to enhance the quantum of pension. He desired that it should be done as suggested by the actuary.

Sh. P. Rajendran observed that having regard to the development in the financial sector it would be better to take a positive look at the things. The interest rates have gone up and in this situation it will be better to continue investments in SDS. He desired that it is the right opportunity to send a proposal to the Ministry of Finance.

Sh. S.S. Rathi made certain observations on behalf of small scale enterprises. He observed that there is a need to curb Inspector Raj. Regarding the reduction of threshold limit from 20 to 10 for coverage under the EPF & MP Act 1952, it would require more consideration for small scale employers. There are employers who are not having manpower and resources to have even daily bank transactions. The papers formalities for them would be a puzzle. He desired that on the pattern of Income Tax

they may be allowed to deposit the contributions as e-payments and to file returns electronically.

Sh. Sharad Patil raised the following three points with regard to EPS 1995:

- Regarding commutation of pension he observed that it is based on a western concept when there is no provision for lumpsum money like Provident Fund and gratuity. In Indian situation the benefits of Provident Fund and Leave encashment are also available to the employees to meet lumpsum cash requirements.
- There is a need to enhance the age of retirement in keeping with the changing times. An employee will contribute more to his Provident Fund when the age of retirement is enhanced.
- The reduction of pension can also be agreed if it is based on proper deliberation.

The Chairman intervened and appreciated and acknowledged the concerns of the members on the issues. He desired to know why the agenda proposed by the members not included. He also pointed out that it gives an opportunity for the board to lay down the procedure to be followed while including the agenda proposed by the members of the board. He also observed that members are required to be informed what action has been taken on the proposal. This will ensure that they are aware of the inclusion of the agenda and if required necessary clarification can also be taken from the members.

The CPFC thereafter gave the response of the EPFO to the comments of Sh. Girish Awasthi. He invited attention to page 150 and 151 of the agenda in which three points have been made.

- Regarding appointment of Multiple Fund Managers, he submitted that there were similar comments from other members also namely; Sh. W.R. Varada Rajan and Sh. A.D. Nagpal and the response of EPFO alongwith the comments were sent to the Chairman for necessary directions. It

was informed by the Ministry that the comments and the response may be placed in the next meeting and hence the reply of EPFO is at Page 71 to 73 of the agenda.

- Regarding the second point on contract workers an agenda has been placed (Item No.12) before the Board seeking their comments and views.
- Regarding point no.3, he informed that the matter is under consideration and it will be brought to the next meeting of the board appropriately.

Regarding the remarks of the Chairman, the CPFC assured that such references will be acknowledged in future so that there is no communication gap.

Dr. Ram S. Tarneja observed that since there is a requirement of 15 days notice it will be necessary to have the agenda proposed by the members in advance. He stated that he has observed in the earlier meetings also that the agenda should be prepared in advance irrespective of the date of the meeting.

Thereafter the Chairman invited Secretary (L & E) to give his views on the concerns of the members on the Pension issue.

The Secretary (L & E) with the permission of the Chair observed that the board had taken a decision to bring the threshold limit of coverage from 20 to 10 in the 183rd meeting of the CBT held in July, 2008. When this matter was placed in the 182nd Meeting held in April, 2008, the Ministry of Finance had raised a point that they will oppose the move to reduce the threshold limit as the EPFO is having a huge unfunded liability under the EPS 1995. As the matter further progressed and a cabinet note was sent for clearance, similar comments were received pointing out the deficit in the Pension Fund and questions on its viability. She had consulted Dr. Sanjeeva Reddy, Sh. B.N. Rai and Sh. W.R. Varada Rajan who are members of the Pension Implementation Committee of the CBT and its possibility was explained. Although, there were no written consultations but there was a positive response from them. As there was consensus to

bring the threshold limit from 20 to 10 and the Govt. was keen to implement the same the amendment to the EPS 1995 to that extent was notified alongwith the other amendments to the three schemes. She further clarified that these measures were of interim nature and need not be treated as irreversible. However, in view of the cabinet note under consideration on an important issue, any withdrawal may cause future embarrassment. She further observed that if there are other alternatives to contain the deficit, the notification can be withdrawn. She also shared that the matter of reduction of threshold limited is under advance stage and further consultation with other Ministries is in progress. She further clarified that by amending these schemes a substantive objection of Ministry of Finance has been removed. The facts of the matter was accordingly before the Board and subject to further guidance.

Dr. Sanjeeva Reddy agreed that he had been consulted. However, he clarified that the opinion as an individual and as a trustee differ. The Employees' Pension Scheme was piloted by (Late) Parduman Singh, Member, CBT and despite various doubts on its viability, it was introduced in the year 1995. As the things stand today, there is a serious matter of viability of the Pension Fund due to enormous deficit that has started mounting from some years. As a Trustee, we are responsible and accountable. As a Trustee, we have to find a solution, otherwise this gap is bound to increase further and with the increasing default even the Provident Fund may not be sufficient to be paid to the employees as 8.33% is going to the Pension Fund.

Regarding the objection of the Min. of Finance, he observed that the same is not acceptable as they are not accountable to the pension fund and they are not going to help EPFO in covering the deficit. He summed up that if the decision of the Govt. is not acceptable then the members have to come out with the alternatives. He also pointed out that it has already been explained that these notifications are not permanent.

Sh. W.R. Varada Rajan also agreed that he was consulted. He clarified that the agenda for reducing the threshold limit was agreed by the Board as there was a sense of urgency. The Min. of Finance had objected to it earlier also but if there were constraints from the Min. of Finance and there was a move to amend the EPS 1995 it was not made known in advance. He further clarified that his discussion was not on

behalf of all the representatives of Employees'. Specific to the matter of deficit in the Pension Fund, he observed that it needs to be properly evaluated. Even now 90% of the exits are non-pensionable exits. There is a need to address the issue and to be done as per norms in the CBT. As an interim measure he desired that the Notification may be put on hold.

Sh. B.N. Rai observed that he has been associated the both in Pension Implementation Committee and the Committee on Comprehensive Pension Reforms. The Committee had made several suggestions to cover the deficit including the amendment to table B & D of the Pension Scheme. He clarified that although he was consulted but he had suggested that other members need to be consulted in the matter. In the light of the notifications, he observed that there is a need to identify the issues to which the CBT needs to consider and the issues on which it has to concur. If there are emergent situation to what extent the CBT is required to be consulted in such matters by the Govt.

Sh. A.D. Nagpal agreed with the comments of Dr. Sanjeeva Reddy. He observed that the deficit in the Pension Fund was due to the change of wage ceiling for the purpose of contribution from Rs.5500/- to Rs.6500/-. When the EPS 1995 was challenged before the Supreme Court, the Govt. had given an affidavit that the benefits payable under the scheme will justify the benefits. He desired that the matter of rising deficit needs to be addressed by the Board on priority.

Sh. D.L. Sachdev appreciated the efforts for bringing the threshold limit from 20 to 10 but observed that it should not linked with EPS 1995. He agreed with the comments of Dr. Sanjeeva Reddy that the fund has to be made viable. He observed that the queries of Min. of Finance can be answered in a better manner and for the present notifications needs to be put on hold.

Sh. Sharad Patil observed that the matter has been discussed in various committees for almost three years now and there has to be a finality to the issue.

Sh. Santosh Saraf observed that there has to be measures for arresting the deficit in the Pension Fund. It will be better to keep the notifications on hold instead of withdrawing them as it may cause an embarrassment.

Sh. Sankar Saha observed that several measures have to be taken to arrest the rising deficit. The actuary has already suggested for enhancement in the rate of contribution. The Board has to find a remedy in the EPS 1995 in a comprehensive way.

Dr. Ram S. Tarneja observed that he had opposed the move to reduce the threshold limit but has accepted the general consensus. He desired that EPFO should prepare a proposal on the enhancement of the rate of contribution a better heals on the funds.

Secretary (L&E) further shared with the members that recently the Parliamentary Standing Committee had taken evidence on various issues and the Ministry has to faced criticism in the rising gap in Pension Fund. She also read the letter received from Min. of Parliamentary Affairs. The second concern was the Minutes of the Cabinet which had also adversely commented on the unfunded gap. This unfunded gap not only is a concern of the Ministry of Finance but for all. She also shared that lot of difficulties are faced in ILO meetings when the Govt. negotiates with foreign Govt. in the matter of extension of Social Security as there is no practice of threshold limit in other countries.

Dr. Sanjeeva Reddy observed that the Ministry of Finance should not come into picture as they are not funding the EPFO. The liability is to be addressed by the CBT. We can take the advice of Min. of Finance but overall decision has to be that of CBT.

The Chairman thanked all the members for giving their valuable comments and appreciated the concern. He observed that Govt. is one and all Ministries run in harmony. To keep the records straight, the Board can seek guidance from the Min. of Finance but will play its role as a Trustee. But there are technicalities and established principles of propriety to be followed. The Board authorized the Chairman to take final decision in the matter. He observed that he will consider all aspects and the views of all the members. Thereafter, he invited CPFC to introduce the regular items to the Board.

Item No.1: Confirmation of the Draft Minutes of the 183rd Meeting and Special meeting of the CBT (EPF) held on 05.07.2008 and 29.07.2008 respectively.

The CPFC introduced the item and informed that the comments were received from Sh. B.P. Pant, Sh. W.R. Varada Rajan and Sh. A.D. Nagpal to the draft minutes of the 183rd meeting held on 5th July, 2008. He invited further comments before the Minutes are treated as final.

Sh. W.R. Varada Rajan observed that corrections suggested by him to Item No.5 may be carried out.

Sh. Ravi Wig regarding Item No.3 desired to know whether any replacement was possible in the Sub Committee since he has resumed in the Board.

Chairman remarked that if possible the same may be discussed among the employers' representatives. On this the members authorized the Chairman to make necessary changes

Dr. Tarneja referred to page 17 in the 2nd para and desired to know the import of the observations.

Secretary (L&E) clarified that there is a need to constitute a Sub Committee of the CBT on HR since the Sub Committee on XLRI is temporary.

Sh. D.L. Sachdev pointed out that at page 18 in para 2 in place of "Ujjain" the word "Dewas" should be replaced as he had raised the concerns of the employees working at Dewas. He also pointed out that the employers are splitting the minimum wage into basic wage and allowances to escape their liability.

The CPFC clarified that the instructions have been issued on the subject to all RPFCS.

Sh. D.L. Sachdev further observed that despite the instructions, RPFCS, Delhi has issued orders on the contrary.

The CPFC informed that the matter will be looked into.

Sh. Nirmal Ghosh observed that since new members have been nominated to the Board they may also be associated in the Sub Committees of the CBT.

Sh. Ashok Singh drew attention to page 26 where he had raised the matter of irregularities while granting exemption to M/s. Sahara. In spite of directions from the Chairman, the matter was not investigated.

The CPFC clarified that there was a reference from PMO and it was replied through the Ministry. There was no specific complaint from the member. Before grant of exemption there was a proper inspection was made by the RPFC In-charge.

Secretary (L & E) observed that the matter may be investigated on priority.

During the discussion it was also desired that the CPFC will further investigate the matters of irregularities pointed out by the members in the minutes.

With the above observations and directions, the drafts minutes of the 183rd Meeting of the CBT held on 5th July, 2008 were confirmed.

The CPFC thereafter introduced the draft minutes of the special meeting of the CBT held on 29th July, 2008 for finalisation. He informed that comments were received from Sh. W.R. Varada Rajan, Sh. P. Rajendran, Sh. A.D. Nagpal and Dr. K.P. Krishnan, Joint Secretary, Min. of Finance. He further informed that the response of the EPFO on the comments were sent to the Chairman vide Note dated 17.9.2008 for further directions and it was conveyed by the Ministry that Secretary (L&E) had directed to place the reply before the next meeting of the CBT. The note has been placed before the Board and the CPFC invited further comments from the members, if any.

Sh. W.R. Varada Rajan observed that although he has perused the reply given by EPFO but he desired that his comments may be recorded in the minutes that as pointed out by Sh. P. Rajendran that in a tender process the work has to be ordered to all the bidders at the same rate. The Chairman had also decided the allocation of fund to the Fund Managers which is incorrect.

With the above observations and amendments, the drafts minutes of the Special Meeting of the CBT held on 29th July, 2008 were confirmed.

Item No. 2: Action Taken Statement in respect of CBT Meetings held upto 29.07.2008.

The Action taken report was noted by the Board.

Item No. 3: Report of the Sub-Committee on the recommendations of M/s. XLRI, Jamshedpur.

CPFC introduced the item to the Board while observing that the CBT in its special meeting held on 24.9.2007 while considering the XLRI report had constituted a Sub Committee to study and analyse the report for implementation of the recommendations.

The Sub Committee had given its interim report which was placed before the Special Meeting of the CBT held on 18.9.2008. The agenda item was discussed in the meeting and many members had made several comments. While accepting the report of Sub Committee the Chairman had directed that the observations of the members may be considered by the Sub-Committee again before the interim recommendations are implemented. Accordingly, the sub Committee had held its meeting on 3.10.2008 and had codified the comments into six broad areas. The suggestions of the members and the comments of the Sub Committee ad seriatum are at page 78 to 80 of the agenda.

The CPFC thereafter briefly explained the broad areas raised by the members and the comments of the Sub Committee as under:

- Regarding benefit of next higher hierarchal scale after five years to group B and other grades in group A as suggested by the Sub Committee for APFC – The recommendation of the Sub Committee was made in line with the provisions that exist in other Central Services Group A and grant of similar upgradation to other grades in a fixed time, will be a deviation.

- Creation of additional number of posts of SSA – The Committee has proposed that additional sanction can be considered only when the BPR is implemented.
- Nomenclature of additional regions and setting up of Regional Committee. – The Sub Committee has proposed that the provisions of para 22 (1) of the scheme may be amended, making Addl. CPFC, the Secretary of bifurcated Regions within a political state.
- Geographical proximity of all the regions while creating additional regions – The grouping of the new regions will be done to ensure their proximity to their head quarters.

Sh. W.R. Varada Rajan desired to know the comments of the EPFO on the observations made by the integrated finance of the ministry vide their letter dated 7th November, 2008. The CPFC clarified that the Min. of Labour and Employment had earlier clarified in relation to creation of posts to EPFO vide letter dated 8th December, 2003 after seeking opinion from Min. of Law and Justice that the statutory provisions will always prevail over the Administrative Instructions. He also read the contents of the letter to all the members of the board. He further observed that the Board is empowered to create as many posts as we are mandated to provide good service to the subscribers. In relation to the instant agenda during the course of the discussion in the special meeting, the Chairman had noted that in order to bring efficiency and meet the benchmarks of settling the claims in 30 days, the economy instruction need not be applied for creation of posts.

Sh. A.D. Nagpal observed that there are differences in the membership figures taken into account by the Sub Committee and those reported in the annual report. In order to ensure that correct projections are made correct figures should be taken into account.

JS & FA(L&E) observed that the Finance Ministry is of the view that the economy instruction of the Govt. of India would be applicable in the EPFO. They have

put ESIC on a different footing. The Ministry of Finance has issued a circular stating that for creation of group B, C & D posts would require approval of Secretary, of the administrative Ministry but for creation of Group A posts would require approval of Secretary, Expenditure, in organisations where economy instructions are applicable.

Dr. Sanjeeva Reddy desired to know the criteria to be followed to come in the purview of the instruction of the Deptt. of Expenditure, Min. of Finance.

JS & FA(L&E) clarified that no budget comes to EPFO from the Min. of Finance for Administration or Management. The only component that comes to EPFO is in the form of contributions @ 1.16% for EPS Scheme.

Secretary (L & E) reiterated that since there is no budgetary support for the administration of EPFO such proposals need not be sent to Ministry of Finance.

Sh. Girish Awasthi noted that the committee has not said anything about the case of EO/AAO in reply to point 1 at Page 78 of the agenda. He highlighted the case of EO/AAO and SSAs for grant of same pay scale as proposed for Section Officers and Assistants in Headquarters. It was a case of disparity.

Sh. W.R.Varada Rajan was in favour of implementation of recommendations of the Sub Committee. He brought the following issues for urgent attention of the Chairman:

- There was a long pending demand of grant of pay scales to the staff in the field offices at par with organized accounts department. He desired that the exercise need to be completed.
- Consequent to the adoption of revised pay structure on the recommendation of the 6th Central Pay Commission, the Anomalies Committee needs to be constituted at the earliest to address the genuine grievances of the staff.

- There is an acute shortage of staff in Regional Offices and Sub Regional Offices which is having telling effect on the performance and tasks.
- In relation to the modernization project, he implored that the data migration has to be accomplished to make the programme successful.
- Before BPR is implemented, it is necessary to sanction all the staff that is required.
- The APFCs have been recommended hierarchal scale after five years of service, the other grades in Group B & C also need to be considered as they also suffer from stagnation.

He further observed that after implementing the interim report, the CPFC shall review the staff requirement of the field in Group "C" and accord sanction which is within his powers. He suggested that the interim report may be implemented and the above suggestions may be considered by the Committee in its final report.

Shri B.N. Rai observed that these issues cannot be discussed in several agenda and require special consideration and deliberations in a special meeting.

Shri Sharad Patil observed that the interim recommendations may be implemented and other issues may be taken up later.

The CPFC clarified some of the points raised by the members in relation to the report of the Sub-Committee. He clarified that the membership figures have been taken from the System Assisted Membership Audit (SAMA). These figures are taken directly from the EDP. The Annual Report figures are generally those figures which are kept in a traditional manner.

Shri A.D. Nagpal observed that the shortages cannot be addressed by provisioning only 40% of the staff as suggested by the Sub-Committee. Due to acute shortages the work is suffering in offices. In this regard he cited huge pendency of

claims on date in various offices- at Bangalore - 1.00 lakh claims, at Bandra -1.00 lakh claims and at Gurgaon - 80,000 claims.

Regarding creation of new Regions he observed that only the workload has been taken into consideration and no consideration has been made for proximity of SROs with Headquarters. He cited a specific case of Raichur being attached to Mangalore instead of Bangalore. No clarification has been given whether in the new Regions headed by Addl. CPFCs, RPFC Gr.I will also be in position.

Dr. Sanjeeva Reddy while recommending the implementation of the interim report observed that many members are not getting their account slips in time. He suggested that the work could be outsourced. Regarding location of new offices he desired that geographical proximity should be taken into consideration.

Shri Babu Lal Todi also supported the implementation of the interim report but observed that there was a requirement of delegating more powers to the Addl. CPFCs and the Central PF Commissioner.

Shri Ashok Singh observed that it is only an interim report and the same shall be accepted and implemented at the earliest. Regarding Regional Committee he desired that similar structure like CBT may be done.

Shri D.L. Sachdev observed that the recommendations of the Sub-Committee should be accepted and implemented at the earliest.

Shri B.N. Rai observed that the recommendations of the Sub-Committee may be accepted. He desired to know the status of opening of SRO at Bhiwadi.

Shri W.R. Varada Rajan observed that recruitment of SSA which is the mainstay needs review. There is lack of planning and ultimately leads to shortages. There is a need to have recruitment on local basis. In past it has been experienced that SSA

recruited on all India basis have moved out on transfer to the Regions near to their native places.

The Chairman agreed that there is a need to have futuristic requirement on qualification and experience and Computerisation. With regard to the jurisdiction of the proposed Regions, the Chairman suggested that the members can take up with EPFO at the earliest. He observed that the recommendations of the Sub-Committee proposed in its interim report need to be implemented at the earliest.

With the above deliberations and discussions the agenda was approved.

Item No.4: Restructuring of Group "B" and Group "C" staff in Headquarters and restructuring of Physical Facilities Division in Headquarters.

The CPFC introduced the item. He observed that the Sub-Committee on XLRI report has examined the larger aspect of restructuring and gave its interim recommendations. In para 13 of its interim report which was placed before the Board it had recommended that the requirement of staff and officers in the Physical Facilities Division, Information Service Division, Stenographer Service and Headquarters office may be worked out and brought before the Board separately. The Board has also equated the posts in Headquarters with the post of Section Officers and Assistant in the Central Secretariat Service (CSS) in the past. The cadre of SSA was left out at that time. Meanwhile further restructuring in the CSS has been done in the Central Government. As restructuring has taken place in the Regions further attempt has been made to restructure these posts at Headquarters. All the grades have been modeled on the CSS structure and the Recruitment rules have been outlined to follow the Recruitment Rules in the CSS.

Shri Girish Awasthi observed that in para 6 it has been mentioned that majority of work is handled by the SSAs and the Assistants though in higher grade are handling comparatively less work. If it has been proposed to abolish the post of SSA why there is a discrimination in the Regional Office. This makes a strong case for putting SSA in better scale of pay.

Shri B.N. Rai agreed with the views of Shri Awasthi. The contents of para 6 were contradictory and required a re look.

The CPFC clarified that the correct terminology for Headquarters need to be "UDC". Regarding SSA, Sr. SSA and EO/AAO, Board had equated the posts with the Income Tax Department. The whole HR issue have been reviewed. The qualification for SSA is graduation and the job requirement is ability to handle Computers, Public interfacing, client interfacing. At Headquarters the job is basically a file processing work and record keeping. Thus both the cadres in the field and Headquarters are at different footing in terms of pay scales.

JS & FA (L&E) observed that the agenda mentions old scale of pay. The Deptt. of Expenditure has issued a circular dated 30.09.2008 clarifying that Part B of the schedule is not automatically applicable to autonomous bodies. EPFO has adopted revised pay structure as per the 6th Central Pay Commission recommendations on point to point basis and hence the circular is applicable. In the case of EPFO will have to set up a group of Officers to look into the anomalies and not an Anomalies Committee. If the pay scales involve a change it has to take prior approval of the Integrated Finance in the Ministry.

Shri W.R. Varada Rajan agreed with the proposal in Part A including the addendum as regards the Headquarters. With regard to Part B he desired the matter may be looked into by an expert Committee.

Shri Girish Awasthi desired that the post of SSA may be merged with Sr. SSA to remove the anomalies.

The CPFC clarified that revisiting the PFD issue may not be appropriate. The number of posts have been enhanced keeping in view of the huge assets of the organization and the size of the budget. The organisation is not able to attract quality personnel in the PFD. There is no career opportunity and growth for the staff in the PFD. Unless there is a proper pyramid career growth cannot be ensured.

Shri W.R. Varada Rajan observed that there is no logical explanation for sanction of staff in the Regions with regard to the assets. It is agreeable in spirit but requires a re look.

With the above discussions the Board approved the Part A of the agenda including addendum thereto.

At this juncture the Chairman was informed of the efforts of the staff of EPFO which had raised a sum of Rs. 40.00 lakhs for the people of Bihar affected by the floods. The Chairman appreciated the efforts of the staff and informed that rather accepting the the cheque for the amount it would be handed over by the EPFO staff to the Prime Minister of India themselves.

ItemNo.5: Re-structuring of the Information Services Wing in Employees Provident Fund Organization (EPFO).

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Item No. 6: Request for waiver of damages in respect of M/s Alex Match Industries Ltd. TN/20755.

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Item No. 7: Request for waiver of employees' and employer's share for pre-discovery period in respect of M/s. Bankura Biri Shilpi Co-op. Society Ltd., West Bengal.

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Item No. 8: Request for waiver of damages under section 14B of the Act in respect of M/s Rajasthan Explosives & Chemicals Pvt. Ltd. (RJ/2771).

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Item No. 9: Request for waiver of damages in respect of M/s Loaves & Rolls Ltd. – KN/24177.

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Item No.10: List of ineligible request for waiver of damages rejected by Central Provident Fund Commissioner.

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Item No.11: An Amnesty Scheme for employers to promote voluntary compliance.

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Item No.12: Request from CBT Members to Hon'ble LEM and Chairman, CBT, EPF for bringing an agenda on the affairs of contract workers for discussion.

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Item No. 13: Further delegation of Financial and Administrative Powers under 'Computerization' by the Central Provident Fund Commissioner under Para 24(3) of EPF Scheme, 1952 and ratification for extension of period for Hiring of Servers.

All the items at Sl. No.5 to 13 were not taken up due to paucity of time and were deferred.

Item No. 14: Revision of Travelling Allowance and Daily allowance to non-official members of CBT.

The proposal contained in the agenda was approved by the Board.

Shri Babul Lal Todi observed that the members of the CBT may be issued ID cards as is done in the ESIC. It was agreed to by the Chairman, CBT, EPF.

Item No. 15: "Re-inventing EPF, India" Project Status as on 10-Nov-08.

The developments contained in the agenda note were noted by the Board.

The meeting ended with vote of thanks to the Chair.

Annexure – 'A'

List of the officers of Employees' Provident Fund Organisation, who attended/present in the 184th of the Central Board of Trustees (EPF) held on 11.11.2008.

1. Shri Abhay Kumar Singh, FA & CAO.
2. Shri P. Sudhakar Babu, Addl. CPFC (Compliance).
3. Shri Trilok Chand, Addl. CPFC (HR).
4. Shri K.C. Pandey, Addl. CPFC (Pension).
5. Shri V.P. Ramaiah, Addl. CPFC (CSD).
6. Shri R.K. Kukreja, RPFC (HRM).
7. Shri K.C.J.P. Narayanan, Director(Recovery).
8. Shri K.V. Sarveswaran, RPFC(Pension).
9. Shri P.U. Kulkarni, RPFC(Compliance).
10. Shri V. Vijaykumar, RPFC (MIS).
11. Ms. Uditia Chaudhary, RPFC (HRM).
12. Ms. Anita Dixit, RPFC(Coord).
13. Shri Chandramauli Chakraborty, RPFC(IS).
14. Shri Gautam Dixit, RPFC(CSD).
15. Shri Kumar Rohit, RPFC (ASD).
16. Shri Saurav Jagati, RPFC(HRD).
17. Shri Sanjay Bisht, RPFC (Conference).
18. Shri Vishal Agarwal, APFC (Conference)
19. Shri Ashraf Kamil, APFC (HRM).
20. Shri Robert Kapai, APFC(Finance).
21. Shri Vineet Gupta, APFC(Pension).
22. Shri Sunil Yadav, APFC(HRM).
23. Shri J.C.Thukral, APFC (ASD).