

**EMPLOYEES' PROVIDENT FUND ORGANISATION**  
**FINAL MINUTES OF THE**  
**189<sup>th</sup> MEETING OF CENTRAL BOARD OF TRUSTEES (EPF)**

**Meeting:** Central Board of Trustees, Employees' Provident Fund

**Date:** **09.04.2010**

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

The 189<sup>th</sup> meeting of the Central Board of Trustees, Employees' Provident Fund was held under the Chairmanship of **Shri Mallikarjun Kharge**, Hon'ble Minister for Labour and Employment and Chairman, Central Board of Trustees (Employees' Provident Fund). Hon'ble Minister of State for Labour & Employment and Vice-chairman of the CBT, EPF was not present in the meeting due to pre-occupation.

The following members of the Board were present at the Meeting:

<p>Shri Prabhat Chandra Chaturvedi, Secretary to Government of India, Ministry of Labour &amp; Employment Government of India, New Delhi.</p> <p>Shri S.K. Srivastava, Addl. Secretary to the Government of India, Ministry of Labour &amp; Employment Government of India, New Delhi.</p> <p>Shri Chaman Kumar, AS &amp; FA (L&amp;E), Ministry of Labour &amp; Employment Government of India, New Delhi.</p> <p>Shri S.K. Dev Varman Joint Secretary to the Government of India, Ministry of Labour &amp; Employment</p>	<p><b>Central Government Representatives.</b></p>
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<p>Government of India, New Delhi.</p> <p>Dr. Shashank Saxena, Director (Banking) Deptt. of Economic Affairs Ministry of Finance, Govt. of India.</p>	
<p>Shri Bhanwar Lal Principal Secretary, Labour &amp; Employment, Govt. of Andhra Pradesh, Hyderabad.</p> <p>Shri Ramesh Zalki, Secretary, Labour Department, Govt. of Karnataka.</p> <p>Ms. Kavita Gupta Secretary (Labour), Govt. of Maharashtra.</p> <p>Shri Vishnu Kumar Sharma, Jt. Labour Commissioner, (Representing Principal Secretary, Govt. of Rajasthan)</p> <p>Ms. Sucharita Sarangi, O/o Resident Commissioner, Govt. of Orissa (Representing Principal Secretary, Govt. of Orissa).</p> <p>Shri M.R. Anand, Addl. Labour Commissioner (Representing Principal Secretary (Labour &amp; Employment), Gurgaon, Govt. of Haryana.</p> <p>Shri Jacob Pratap, Assistant Labour Commissioner (HQ), (Representing Principal Secretary (Labour &amp; Employment), Govt. of Punjab.</p>	<p><b>State Government Representatives.</b></p>

<p>Ms. Vatsala Vasudeva, Commissioner of Labour, Govt. of Gujarat.</p> <p>Dr. R.M. Agarwal, C.M.O., ESI Scheme, Ghaziabad, Uttar Pradesh (Representing Principal Secretary, Govt. of Uttar Pradesh)</p>	
<p>Shri A.D. Nagpal Shri B.N. Rai Shri M. Jagadiswara Rao Shri Ashok Singh Shri D. L. Sachdev Shri Dipankar Mukherjee Shri Krishna Chakraborty (representing Shri Sankar Saha )</p>	<p><b>Employees' Representatives.</b></p>
<p>Dr. Ram Tarneja Shri Sharad S. Patil Shri P. Rajendran Shri Ravi Wig Shri Babu Lal Todi Shri Santosh Saraf</p>	<p><b>Employers' Representatives.</b></p>
<p>Shri S. Chatterjee, Central Provident Fund Commissioner</p>	<p><b>Member Secretary.</b></p>

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

Shri T. Prabhakar Rao, Secretary to the Govt. of Tamil Nadu, Department of Labour.	<b>State Govt. Representative</b>
Shri J.P. Chowdhary Shri S.S. Rathi	<b>Employers' Representatives.</b>
Shri Girish Awasthi Shri Sankar Saha	<b>Employees' Representatives.</b>

The following officers attended the meeting as special invitee of the Board:

Dr. B.K. Gairola, Director General, NIC, New Delhi	
Dr. B.N. Shetty, Deputy Director General, NIC, New Delhi	
Dr. B. Vinaya, Senior Technical Director, NIC, New Delhi	

The following members were absent from the meeting:-

Secretary (Labour) Govt. of Assam.  Secretary (Labour) Govt. of Bihar.  Secretary(Labour) Govt. of Madhya Pradesh.  Secretary(Labour) Govt. of NCT of Delhi.  Secretary(Labour) Govt. of West Bengal.	<b>State Government Representatives.</b>
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Dr. G. Sanjeeva Reddy Shri Nirmal Ghosh	<b>Employees' Representative</b>
Shri U.K. Dikshit Shri B.P. Pant	<b>Employers' Representative</b>

The Central Provident Fund Commissioner welcomed Hon'ble Minister for Labour & Employment, Secretary Labour & Employment, all other Members of the CBT and Government representatives to the 189<sup>th</sup> meeting of the CBT, EPF.

The Chairman began the proceedings by welcoming all the members of the Central Board of Trustees, Employees Provident Fund, Secretary Labour & Employment, senior officers of the Ministry, Central Provident Fund Commissioner. He then invited the CPFC to read out the obituary references on behalf of the Board to pay their respect to two members of the Board who had passed away recently. The CPFC then read out the obituary references to convey condolences to the bereaved members of family of late Shri W.R. Varada Rajan and late Shri N. Kannan. Thereafter, a one minute silence as a tribute to the departed Members of the Boards was observed by all present. It was also decided that a copy of the obituary reference may be sent to the bereaved families.

Thereafter, the Chairman welcomed Shri Samirendra Chatterjee, who had taken over as new Central Provident Fund Commissioner on 25<sup>th</sup> March 2010 as member Secretary of the Board and Shri Dipankar Mukherjee representing the Centre of Indian Trade Unions as new member of the Board as employees' representative.

He welcomed the Members to the seventh meeting of the Board after its reconstitution. He noted that there were a large number of agenda items and impressed upon all the members to deliberate and limit their observations on the agenda for the sake of brevity.

Based on the deliberations, the decisions of the Board on the agenda are as follows, while detailed observations made by the participants are annexed:

**Item No.1: Action Taken Statement in respect of CBT Meetings held upto 05.12.2009.**

The action taken on the earlier decisions and observations was noted by the Board as follows:

<b>Sl. No.</b>	<b>Item</b>	<b>Observation</b>
(1)	Workers' Bank	<p>Noted by the Board with the observations as follows:</p> <p>As (L&amp;E) stated that the proposal for constitution of Expert Group for the Worker's Capital Trust/Worker's Bank was submitted to Hon'ble LEM after getting nomination from Reserve Bank of India and Indian Bank Association. Indian Bank Association sent nomination of two members from the same bank. However, on the suggestion of Hon'ble LEM, a letter dated 7.4.2010 has been sent to Indian Bank Association that instead of sending both the nominations from the same bank one of the members should be from a nationalized bank. The reply of the Indian Bank Association in this regard is still awaited.</p>
(2)	Strategic adjustments in the Compliance 2001 Programme for enforcing compliance and accelerating growth.	Noted by the Board.
(3)	Waiver of damages levied u/s 14 B of the Act-M/s. Ferro Alloys Corporation Ltd. Code No. OR/1170.	Noted by the Board.
(4)	Grant of Exemption under Section 17 of the EPF & MP Act 1952 by appropriate Government.	<p>Noted by the Board.</p> <p>Regarding the issue relating to M/s Sahara India Ltd., Secretary (L&amp;E)</p>

		noted that the matter was before the Hon'ble High Court of Allahabad and hence need not be discussed for the present.
(5)	Recommendation of rate of Interest to be credited to EPF members' accounts for the year 2009-2010.	Noted by the Board.
(6)	Changes in the Existing Guidelines.	Noted by the Board.

**Item No.2: Recommendation of Rate of Interest to be credited to EPF members' accounts for the year 2010-11.**

**Decision:** The agenda item was deferred with following observations:

- (i) The Board of Trustees must be informed the actual earnings/assets and liabilities for the last three years vis-à-vis the figures put up to the Board for recommending the rate of interest in those three years.
- (ii) The Board resolved that a group from amongst the members of the Board led by the Chairman, CBT may meet the Finance Minister with a detailed note on the surplus and liabilities and shall present the case for appropriate budgetary support so that higher rate of interest on PF could be considered.
- (iii) The matter would be placed before the Board in the next meeting for a decision on the rate of interest.

**Item No. 3: Multi Banking Arrangement for collection of EPFO dues.**

**Decision:** The Board approved appointment of a consultant as proposed in the agenda who will give detailed feasibility report on multi-banking

arrangements, guide on technology options and the process and reconciliation options, with the observation that the Report of the consultant would be placed before the Board for final decision in the matter.

**Item No. 4: Relaxation in Investment Guidelines for investments in Private Sector Bonds.**

**Decision:** After brief discussion it was approved by the Board that such private companies having 26% shares held by the PSUs/Central Govt./State Govt. and having dual AAA rating could be considered for investment in their bonds.

**Item No. 5: Changes in the Existing Guidelines for increasing the exposure limits for PSU/PSFI/PSB investments.**

**Decision:** The proposal contained in the memorandum was approved by the Board after brief discussion, for adoption of IRDA exposure norms of 10% of the capital employed or 60% net worth of the company in addition to the existing limits.

**Item No. 6: Two years tenure of engagement of the Portfolio Managers to be extended upto 31.03.2011.**

**Decision:** The agenda item was approved by the Board with the direction of the Chairman that, in the next meeting an agenda on the performance of the fund managers should be placed for information of the Board.

**Item No. 7: Deletion of Delayed Period Interest entries below Rs. 1000/- generated by the SBI System upto 30.09.2009.**

**Decision:** The proposal contained in the memorandum was approved unanimously by the Board.

**Item No. 8: Pattern of Investment notified by the Ministry of Finance on 14.08.2008.**

**Decision:** The agenda item was deferred with the observation that since the Ministry of Finance is considering notification of new pattern of investment which would come out any time next year, it would be appropriate to defer the matter.

**Item No. 9: Agenda Note on increasing the quantum of benefit from existing Rs. 60,000 to Rs. 1,00,000 for amending the EDLI Scheme, 1976.**

**Decision:** The proposal contained in the memorandum was approved by the Board with the observation that the suggestions of Shri Sharad Patil and Shri A. D. Nagpal may be referred to the Actuary again for actuarial valuation for relevant period.

**Item No. 10: Grant of Exemption under Section 17 of the EPF & MP Act - 1952 by Appropriate Government.**

**Decision:** The agenda item was approved by the Board with following observations:

- (i) There was a need to have close watch on such exempted trusts by the sub-committee on exempted establishments.

- (ii) The powers delegated to the CPFC and others by the Board need to be examined by taking further legal opinion to avoid any legal complication in future.
- (iii) There should be a brief note attached to each case for information of the Board to enable it to take a decision on each exemption proposal.
- (iv) There was pendency of exemption cases both in the EPFO and Ministry which needed to be expedited as there was a deadline for the exempted trusts to seek exemption from EPFO before getting recognition under the Income Tax Act and avail benefits.
- (v) The proposals in the agenda and the addendum were approved, except the case of M/s TRF (JH/1302) at sl. No. 15 of the list which has to be re-examined by the CPFC.

**Item No. 11: List of ineligible request for waiver of damages rejected by Central Provident Fund Commissioner.**

**Decision:** The agenda item 11 read with item 25 was approved by the Board after brief discussion.

**Item No. 12: Introduction of New Schedule Head for Coverage of Contract Workers of Municipal Corporations/Committees.**

**Decision:** The agenda item was approved in principle.

**Item No. 13: Agenda Note on increase in wage ceiling and Abolition of Schedule Head for the purpose of Coverage of establishment under the EPF & MP Act, 1952: Recommendation no. 75 and 80 of 39th Report of Parliamentary Standing Committee on Labour on**

**Employees' Provident Fund Organisation – Employees' Provident Fund Scheme, 1952.**

**Decision:** In view of the proposed constitution of working group for considering comprehensive amendments to the EPF & MP Act and Scheme, the issue was referred to the said working group.

**Item No. 14: Request for waiver of damages in respect of M/s. Dima Tea Estate (WB/JPG/1432).**

**Decision:** The agenda items at Sl. No. 14, 15, 16 & 17 in Agenda book-I and at Sl.No. 19, 20, 21, 22, 23 and 24 in Agenda book-II relating to requests from establishments for waiver of damages under Section 14 B of the EPF & MP Act were deferred by the Board accepting the observation of the Secretary (L&E). The brief observation of the Secretary (L&E) were as under :

- BFIR cases come to the Board under the SICA. For each sick company, the agency sanctions an overall revival package which contains the component of liabilities in terms of tax, interest, damages amount also.
- The competence of the Board under the Act was to waive only the damages component of the arrears, due from the establishments. But in the agenda a notional amount has been calculated, which was adjusted from the damages. The damages amount was not being waived as per the recommendation of the BIFR.
- The system of calculation of notional loss might be running contrary to the spirit of the BIFR and EPF and MP Act.
- If the applications were handled in a mechanical manner, it may ultimately lead to failure of the package and lead to

closure of the units which will go against the interest of workers.

- It was therefore decided to discontinue the practice of deducting notional amount of interest from the damages and consider the waiver of full damages as provided in the BIFR package on merits as per provisions of EPF & MP Act. It was further decided to re-examine all such cases and bring them before CBT in the next meeting.

**Item No. 15: Request for waiver of damages in respect of M/s Gujarat State Road Transport Corporation Ltd.**

The agenda item was not taken up and deferred.

**Item No. 16: Request for Waiver of damages under section 14B of the Act – M/s Hindustan Antibiotics Ltd. (MH/1459).**

The agenda item was not taken up and deferred.

**Item No. 17: Request for Waiver of damages under section 14B of the Act – M/s. Siddhartha Super Spinning Mill (HP/10429).**

The agenda item was not taken up and deferred.

**Item No. 18: Comprehensive amendment in the EPF & MP Act, 1952 & Schemes framed there under.**

**Decision:** The Board authorized the Chairman to constitute a working group to examine the amendments to be made in the EPF and MP Act 1952 and the Schemes framed there under, alongwith detailed justifications within the time frame of three months.

**Item No. 19: Request for Waiver of damages under section 14B of the Act-M/s. Heavy Engineering Corporation Limited (JH/1465).**

The agenda item was not taken up and deferred.

**Item No. 20: Request for waiver of damages in respect of M/s. Menon & Menon Ltd. (MH/2191, MH/2191-A and MH/100642).**

The agenda item was not taken up and deferred.

**Item No. 21: Request for waiver of damages in respect of M/s Model Mills, Nagpur (MH/3502).**

The agenda item was not taken up and deferred.

**Item No. 22: Request for Waiver of damages under section 14B of the Act – M/s Pitambar Coated Papers Ltd. (RJ/8961).**

The agenda item was not taken up and deferred.

**Item No. 23: Request for Waiver of damages under section 14B of the Act – M/s Synbiotics Ltd. (GJ/1363).**

The agenda item was not taken up and deferred.

**Item No. 24: Request for Waiver of damages under section 14B of the Act – M/s. Automobiles Products of India Ltd. (MH/AB/12707, MH/66 and TN/23765).**

The agenda item was not taken up and deferred.

**Item No. 25: List of ineligible request for waiver of damages rejected by Central Provident Fund Commissioner.**

The agenda item was taken up with item no. 11 and passed by the Board.

**Item No. 26: Any other item with permission of the Chairman- Observations of Members and general discussions.**

With the permission of the Chair, the members raised their observations on certain issues. The brief observations for taking action were as under:

- (i) Shri A.D. Nagpal brought to the notice of the Board, a matter of dishonour of EPF cheques by the Bank with the remarks of insufficient funds for which officers may be made accountable.
- (ii) An Anomalies Committee of the Board has been formed which has deliberated and given its report in September 2009. The matter needs to be expedited, as there was resentment both among the officers and the staff due to the delay. Further, many posts were sanctioned by the Board to meet the shortage in EPFO offices. He desired that the Board may be informed of the improvements made in the performance of the Offices after filling up of the posts.
- (iii) Shri Dipankar Mukherjee observed that there should be a redressal mechanism at the Office level and at the Central level to deal with specific grievances of this nature.
- (iv) Shri D.L. Sachdev desired that cases of PF settlement of members of closed establishments may be attended by the EPFO and funds realized from the SRF to meet such contingencies.

- (v) Shri M.J. Rao observed that Pension cases were being rejected by the EPF offices on the ground of valid proof for Date of birth. He suggested that the DOB may be accepted from the one entered in the ESIC card.
- (vi) Some of the members observed that the Regional Committee need to be constituted and need to meet frequently; there was a need to give proper representation to all CTUs in the Regional Committees; and, the data followed for ascertaining strength of CTU in various states was that released for the year 2002, which was very old and needs review.
- (vii) Some of the members remarked that there should be adequate machinery in EPFO to acknowledge and reply to CBT Members' letters.
- (viii) Labour Secretary, Karnataka informed the Board, that the Regional Committee EPF, for Karnataka state had met recently. One of the recommendations was on upgradation of SRO, Bommasandra as Regional Office keeping in view the huge workload. Two more SROs have been recommended by the Committee at Yelahanka and Tumkur in Karnataka state.

The meeting concluded with the above discussions. A copy of the proceedings is enclosed as **Annexure-A**. The Secretary (L&E) thanked the members for their valuable suggestions and informed that these would be looked into.

**The meeting ended with vote of thanks to the Chair.**

**Minutes Confirmed.**

**(Mallikarjun Kharge)  
Minister of Labour & Employment &  
Chairman, Central Board of Trustees, EPF.**

**Annexure – 'B'**

**List of the officers of the Ministry of Labour & Employment and Employees' Provident Fund Organisation, who were present in the 189<sup>th</sup> meeting of the Central Board of Trustees (EPF), held on 09.04.2010.**

1. Shri S.K. Verma, Director, Ministry of Labour & Employment.
2. Shri Abhay Kumar Singh, FA & CAO.
3. Shri Rajeev Kumar, Chief Vigilance Officer.
4. Shri B.K. Panda, Addl. CPFC (IS).
5. Shri V.P. Ramaiah, Addl. CPFC (HR).
6. Shri Ajit Kulshrestha, Addl. CPFC (CSD).
7. Shri K.C. Pandey, Director (NATRSS).
8. Shri Rajesh Bansal, Addl. CPFC (Pension).
9. Col. P.K. Chaturvedi, Chief Engineer.
10. Shri Shankar Pathak, Director (Recovery).
11. Shri P.U. Kulkarni, RPFC (Pension).
12. Shri S. Deb, RPFC (Compliance).
13. Smt. Anita Dixit, RPFC(Coordination)
14. Shri K.L. Goyal, RPFC (IMC).
15. Shri R.K. Singh, RPFC (F&A).
16. Shri Shyam Sunder, Director (Audit).
17. Shri Chandramauli Chakraborty, RPFC (IS).
18. Shri V. Ranganath, RPFC (Investment).
19. Shri Rajeev Bisht, RPFC (IMC)
20. Ms. Nidhi Singh, RPFC (IMC).
21. Shri Brajesh Mishra, RPFC (IMC).
22. Shri Saurabh Jagati, RPFC (Exemption).
23. Shri Subhash Sharma, RPFC (ASD).
24. Shri Sanjay Bisht, RPFC (Conference).
25. Shri Vishal Agarwal, APFC (Conference).
26. Shri J. C. Thukral, APFC (ASD).