

EMPLOYEES' PROVIDENT FUND ORGANISATION

DRAFT MINUTES OF THE

67th MEETING OF EXECUTIVE COMMITTEE, CBT (EPF)

Meeting : Executive Committee, Central Board of Trustees (EPF)
Date : **04.12.2009**
Venue : Conference Room, 3rd Floor,
EPFO Headquarters,
Bhavishya Nidhi Bhawan,
Bhikaiji Cama Place, New Delhi – 110 066.

The 67th Meeting of the Executive Committee, CBT (EPF) was presided over by **Shri Prabhat Chandra Chaturvedi**, Chairman, Executive Committee, CBT (EPF) and Secretary to the Govt. of India, Ministry of Labour and Employment. The following members attended the meeting:

Shri S. K. Srivastava, Addl. Secretary, Ministry of Labour & Employment Government of India, New Delhi. Shri Rakesh Jain Financial Advisor (L&E), Ministry of Labour & Employment Government of India, New Delhi.	Central Government Representatives
Dr. R. M. Agarwal, CMO (ESI Scheme), Ghaziabad, Uttar Pradesh. (Representing Principal Secretary, Department of Labour & Employment, Govt. of Uttar Pradesh.) Ms. Surina Rajan, Principal Secretary, Department of Labour & Employment, Govt. of Haryana.	State Government Representatives

Dr. G. Sanjeeva Reddy Shri Girish Awasthi	Employees' Representatives
Shri Babulal B. Todi Shri B. P. Pant	Employers' Representatives
Shri K. Chandramouli Central Provident Fund Commissioner	Member Secretary

The following members were absent from the meeting:

Principal Secretary, Department of Labour & Employment, Govt. of Bihar.	State Government Representative
Shri J. P. Chowdhary	Employers' Representative
Shri D. L. Sachdev	Employees' Representative

The list of the officers of the Ministry of Labour & Employment and the officers of EPFO who attended the meeting is given at **Annexure-'A'**.

At the outset, the CPFC welcomed the new Chairman and the members of the Executive Committee to its 67th Meeting which was the first meeting under the new Chairman and expressed that EPFO would benefit a lot under his guidance. The Chairman thanked the CPFC and expressed deep appreciation of the work done by Smt. Sudha Pillai, ex-Chairperson, Executive Committee, CBT (EPF) and observed that it may be placed on record. The members endorsed the views of the Chairman and the CPFC and decided to pass a resolution in this regard. Shri Girish Awasthi raised certain points regarding cadre review of Group 'A' officers in EPFO, drastic cuts made in the Employees' Pension Scheme

1995 and promotion avenues for staff and officers of EPFO. The CPFC suggested that since all these issues were also part of the formal agenda they be raised as and when the agenda comes up for discussion to which the member agreed.

Thereafter, with the permission of the Chair the CPFC initiated the proceedings.

ITEM No.1: Action Taken Statement in respect of EC Meetings held upto 03.07.2009.

The CPFC introduced the agenda item and read the action taken by the EPFO to the Committee. The action taken report of the items as noted by the Committee and observations that were made by the members and were noted for further action on the part of EPFO are as follows:

Sl. No.1	One time relaxation of medical claims of retired EPFO employees due to non-settlement by M/s. Oriental Insurance Company Limited.	Noted by the Committee. The CPFC informed the Committee that necessary details have been received from all the offices and legal opinion for claiming damages will be sought at the earliest. Further action will be taken based on the legal opinion. The CPFC further added that EPF Pensioners Association in Kerala has filed a case against M/s. Oriental Insurance Company Limited to claim damages and EPFO is contemplating to become a party in the case to support the EPF Pensioners' Association in their rightful demands.
Sl. No.2	Updating of Fire Hydrant at EPFO Headquarters, HUDCO Vishala Building, New Delhi.	Noted by the Committee. The CPFC informed the House that no response has been received from the Ministry of Finance till date. However, the matter would be further pursued with Secretary (Revenue), Government of India. He

		further requested the Chairman to take up the matter with the Ministry of Finance at his level also.
Sl. No. 3	Extension of tenure of Portfolio Auditor to conduct audit for the year 2007-2008.	Noted by the Committee.
Sl. No. 4	Entrusting of Internal Audit of Regional Offices to Chartered Accountants' Firms.	Noted by the Committee.
Sl. No. 5	Provision of Office vehicles to the office of Addl. CPFC, where no vehicles have been provided for facilitating management & development of business.	Noted by the Committee. Shri Babulal Todi suggested that limit of Rs. 4.00 lacs to buy an office vehicle may be enhanced.
Sl. No. 6	Delegation of financial/administrative powers in case of retired employees of EPFO and /or their spouse/dependents.	Noted by the Committee.

ITEM NO.2: Amendment to the Recruitment Rules for the post of ASSISTANT ENGINEER (CIVIL) / ASSISTANT ENGINEER (ELECTRICAL) in the pay scale of Rs.8000-275-13500 [Pre-revised] in EPF Organisation.

The CPFC introduced the item and explained that EPFO has 24 posts of Assistant Engineers in Civil & Electrical streams that were to be filled purely by transfer on deputation basis. Now the proposal was to amend the Recruitment Rules for the post of Assistant Engineers to include also the element of promotion in it primarily for two reasons; First, EPFO was not getting enough suitable officers holding analogous posts or having three years regular service in the pay-scale of 6500-200-10500 (Pre-revised) and second, there were no promotional avenues in the cadre that made it even more difficult to get suitable officers through deputation. Accordingly, it was proposed that the Recruitment Rules may be

amended to the extent that instead of 100% deputation, 34% may be filled by promotion failing which by deputation and remaining 66% by deputation. Further, as a one-time measure, officials who have completed 5 years of regular service may be promoted instead of 8 years regular service as envisaged in the amended Recruitment Rules as there was no officer in the feeder cadre of Junior Engineers (Civil) & (Electrical) in EPFO who had completed 8 years of regular service. Thereafter, the CPFC requested the Committee to approve the agenda.

Dr. G. Sanjeeva Reddy observed that the Recruitment Rules are amended time and again. He had experienced in the Board that there were many agenda items suggesting amendment of service rules for every single post. He was of the view that a permanent regulation may be evolved for Recruitment Rules specifying the deputation, promotion quota and the direct recruitment quotas so that such agenda did not come to the Executive Committee.

The CPFC clarified that the matter has been coming to the EC depending upon the requirement of the organisation. Earlier it was decided to have only deputation. Subsequently, as there was no response for deputation even after advertisements the matter was again brought to EC. Some suggestions had come later to take persons by direct recruitment. There was situation when persons who had been taken on deputation had got themselves absorbed and there were no promotional avenues in the Department. This problem was peculiar with some of the cadres in the EPFO and the organisation had to take proposals before the EC.

The Chairman observed that there should be certain amount of flexibility in the Recruitment rules keeping in view of the present scenario so that they did not come to the Board or the Committee every time. He further suggested that the CPFC may be delegated powers in the matter to operate within the approved flexibility.

The CPFC agreeing with the Chairman suggested that a note for delegating certain administrative powers to the CPFC would be brought for discussion in the next meeting.

Shri B.P. Pant suggested having a Committee to deal with the HR matters. However, the CPFC was of the view that there was no point in making separate Committee for HR issues as these are of a continuous nature and systems exist in the organization to tackle them.

Addl. Secretary (L&E) further explained that the proposed amendment was sought only keeping in view the career aspects of those joined as Junior Engineer and later got absorbed. He observed that if there were no proper promotional avenues they would subsequently go to other departments. It was in the interest of EPFO to retain them. As to the views expressed by Dr. Sanjeeva Reddy, he suggested that all the Recruitment Rules may have "failing which" clause so that the matter comes before the CBT or EC only after all the options have been exhausted.

The Chairman agreed to the suggestion of Dr. Sanjeeva Reddy and Addl. Secretary (L&E) and remarked that there should be some flexibility in the Recruitment Rules so that these items did not come to the Committee again and again for amendments.

The item was approved by the Committee with the observation that the Recruitment Rules may be made flexible with "failing which" clause so that these items may be finalized by the CPFC within the normal provisions of the Recruitment Rules at his level.

ITEM No.3: Amendment to the Recruitment Rules for the post of Data Processing Assistant, 2009 in Employees' Provident Fund Organisation.

The item was introduced by the CPFC which was approved by the Committee after a brief discussion.

ITEM No.4: Amendment to the Enforcement Officer / Assistant Accounts Officer and Section Officer Departmental Competitive Examination Scheme, 2008 - Regarding.

The CPFC informed the House that the item was circulated earlier when the meeting was scheduled in September, 2009. However, on postponement of the meeting and keeping in view the urgency of the item it was sent to Secretary (Labour & Employment) in the capacity of the Chairman, Executive Committee, CBT (EPF) for approval. The same was approved by him and placed for ratification by the EC.

The Committee approved the revised proposal to the agenda and ratified the decision of the Chairman, Executive Committee, CBT (EPF).

ITEM No. 5: Appointment of Concurrent Auditor for EPFO's Portfolio.

FA & CAO introduced the item to the Committee. He referred to the minutes of the last FIC meeting that have been placed on the table and informed the House that based on the recommendations of the 95th FIC, out of the quotation received from the various CA firms, Jain Chowdhary and Co., Mumbai has been recommended as the concurrent auditors for the year 2008-09. Since the selection had taken lot of time, he requested the Committee to approve the appointment of the said CA firm for the current financial year also as only 3-4 months were left in the current financial year.

Addl. Secretary (L&E) observed that since the quotation given by the said CA firms was very low as compared to others in the market, he doubted the quality of the work. He further added that only after review of the quarterly performance by the said CA firms decision may be taken for appointing them for the current financial year also.

FA & CAO clarified that all the CA firms mentioned in the agenda were found eligible for the work based on their technical evaluation compared with the other applicants. They have been recommended based on their quotation which had arrived at L-1. If the concurrent auditors were not put in place it may lead to certain complications.

Secretary, Haryana endorsed the views of Addl. Secretary (L&E).

Shri Babu Lal Todi desired to know what would happen if the out of pocket expenses were quoted very high by the selected CA firms.

FA & CAO clarified that out of pocket expenses have been defined in audit parlance and manuals and there are strict control on these expenses based on them.

The Chairman accepted the suggestion of Addl. Secretary (L&E) regarding performance review and desired that the CPFC may be delegated the powers to decide the extension of the concurrent auditors for another year if they were found fit for the job after quarterly performance review.

The observation of the Chairman was accepted by all the members and accordingly the agenda was passed by the Committee.

ITEM No.6: Hiring of office accommodation for Sub-Regional Office, Park Street, Kolkata.

The CPFC informed the House that the item was circulated earlier when the meeting was scheduled in September, 2009. However, on postponement of the meeting and keeping in view the urgency of the item it was sent to Secretary (Labour & Employment) in the capacity of the Chairman, Executive Committee, CBT (EPF) for approval. The same had been approved by him and placed for ratification by EC as Item No. 22.

ITEM No. 7: Hiring of office accommodation for Sub-Regional Office, Bommasandra.

The CPFC informed the House that the item was circulated earlier when the meeting was scheduled in September, 2009. However on postponement of the meeting and keeping in view the urgency of the item it was sent to Secretary (Labour & Employment) in the capacity of the Chairman, Executive Committee, CBT (EPF) for approval. The same had been approved by him and placed for ratification by EC as Item No. 21.

ITEM No.8: Revised budgetary requirements for implementation of the 'Modernization Project' in all the offices of Employees' Provident Fund Organization (EPFO) – sanction of additional budget.

The CPFC informed the House that since a comprehensive agenda on the issue was being placed as an agenda in the 188th CBT Meeting to be held on 05.12.2009, the agenda stood withdrawn from the agenda list.

ITEM No. 9: Draft Annual Report on the work and activities of the Employees' Provident Fund Organisation for the year 2008-09.

The CPFC informed the Committee that the Annual Report of EPFO for the year 2008-09 would be placed in the 188th CBT Meeting to be held on 05.12.2009 for discussion and adoption. The members were of the view that they would raise their observations on the Report then.

Thereafter the CPFC requested the members to recommend the Report to the Board for adoption. The Committee approved the proposal contained in the agenda.

ITEM No. 10: Audited Annual Accounts in respect of Employees' Provident Fund Scheme, 1952, Employees' Pension Scheme, 1995 and Employees' Deposit Linked Insurance Scheme, 1976 for the financial year 2008-09.

The Central Provident Fund Commissioner invited the FA&CAO to introduce the Audited Annual Accounts in respect of the three schemes for the year 2008-09.

The FA & CAO explained that in accordance with the provisions of Para 74 of the EPF Scheme, 1952, the Audited Annual Accounts in respect of all the three schemes for the financial year 2008-09 are required to be placed before the Board before 10th of December following the year to which it pertains and the audit certificate has to be procured by 1st of December. It is first considered by the Executive Committee and then recommended for adoption by the full Board. The process followed is that the field offices complete their annual balance sheets and get it certified by the respective state AG offices. The observations made are taken care by the respective RPFCs. The compiling units are all the RPFC in the Regions which are then consolidated at Headquarters. Thereafter, consolidated audit is carried by the DGACR. After the audit observations are replied to by the EPFO the final audit certificate is issued by the CAG. He then highlighted the observations made by CAG's Office and page 42 to 45 of the Book. He thereafter requested the members to make their observations so that the Audited Annual Accounts of EPFO in respect of all the three Schemes for the financial year 2008-09 may be placed before the CBT for adoption.

JS & FA (L&E) observed that it was desirable to place the Accounts before the FIC before it was referred to CAG. This has been done in ESIC. He further referred to the observation of the CAG regarding adoption of new format of Account prescribed by the Govt. of India and emphasized that it may be done at the earliest.

Addl. Secretary (L&E) observed that the comments of the CAG on pending annual valuation of the EPS 1995 at page 43 and the comments in para 1 and 2 of audit at page 45 of the report needs serious attention of the EPFO. The other comment was on adequacy of internal audit system.

Dr. G. Sanjeeva Reddy referred to the observations at para A.1.1.1 of the report and the management letter indicated at para E of the report and desired to know the implications.

FA & CAO clarified that relevant replies of the organisation have been sent to all the observations of CAG and was indicated as a summary alongwith it's Certificate with the audited accounts at 42 to 45 of the book itself. Regarding the adoption of common format of the accounts he stated that it was not feasible for EPFO as it was meant for commercial organisations where accounts are being prepared on accrual basis. However, it can be implemented only after Computerization in the organisation was completed. The observation in para A.1.1.1 was purely due to the present format of accounts and has been explained as has been done in the past. On audit system he clarified that many audit parties have been formed and action was on to put adequate manpower for carrying out audit work. Regarding the Management letter he clarified that the Management letter was issued by CAG alongwith the Certificate on 26.11.2009 which was not a part of Audit Certificates. It has been separately placed on the table for information of the Members. It was not a part of the Certificate but as suggestion to the management to take corrective steps.

The CPFC clarified that the deficiencies have been noted and reply was being sent.

With the above deliberations the Executive Committee recommended the Audited Annual Accounts of EPFO in respect of all three Schemes for the financial year 2008-09 to be placed before the meeting of the Central Board of Trustees for adoption.

ITEM No. 11: Decision on Banking Arrangement for collection.

The CPFC introduced the item to the committee explaining the status of negotiation with the present arrangements with the State Bank of India of collection of contributions. SBI has been the sole collection agency for EPFO for along time. He informed that the EPFO had taken up computerization and as part of its improving the processes such as transfer of money to EPFO electronically and SBI was requested to provide compatible and commensurate services to EPFO. They had come up with a proposal raising three conditions one of which was raising the collection charges drastically, payment of charges for putting dedicated computers to cater to 120 field offices of EPFO and making EPFO to enter into a contract for 5 years. The agenda was also placed before the EC in its last meeting held on 03.07.2009 wherein the then Chairperson had taken note of the monopolistic attitude of the SBI towards EPFO. The EC had not agreed to any of the conditions put forth by them to enter into fresh agreement with EPFO. Since the SBI which was handling an important collection function for EPFO which may jeopardize the link at the field office level if a solution was not arrived at, the Ministry was requested to take it up with the SBI through Ministry of Finance. This was followed by a letter from present Secretary (L&E) to Finance Secretary explaining the concern of the EC. The SBI had not relented on their stand and insisted on the three conditions reiterating their demands with no inclination for negotiating seriously with EPFO.

He made a suggestion for the EC that the EPFO could have an agreement with SBI for a limited period say one or two years while keeping the option of considering some other bank for being given the responsibility of collection.

Dr. Sanjeeva Reddy observed that most of the money is with SBI. Monopolization by SBI was not good for EPFO. SBI was not coming to EPFO to collect the money rather the employers are going to them to deposit the money. EPFO should look at future also and look for other nationalized banks. Time has come to take a step forward to have other banks for collection also.

The Chairman observed that he had spoken with some of the Banks after discussing the issue with CPFC. Different banks have strong positions in at different parts of India. We could start exploring the possibility to have alternative Bank. But the whole process would take time. Meanwhile the matter may be brought to the notice of the Ministry of Finance so that an amicable solution is reached. If required he would write to the Finance Secretary for having a meeting at senior management of SBI.

The CPFC further added that the EPFO can tide over the situation as suggested by the Chairman, Executive Committee by exploring the possibility of using the good offices of the Finance Secretary, and if needed of the Finance Minister through the Minister of Labour & Employment for settling the issues which have been proving to be an impediment in the formal banking agreements between the EPFO and the SBI.

Dr. Sanjeeva Reddy suggested that the EPFO can start the tendering process for appointment of multiple collection banks as was done for the appointment of multiple fund managers. There was no apparent risk involved in having nationalized banks. Other banks may even quote lower fee.

The Chairman further suggested that as observed by the CPFC the EPFO can start looking for other banks for the purpose on the basis of the strength of each bank in different parts of the country while continuing with the SBI for the time being as it was not feasible to change the collection agency abruptly.

Addl. Secretary (L&E) observed that SBI is not insisting now on a lock-in period of five years for the agreement.

FA &CAO clarified that the SBI was not coming forward to bring down their conditions in the meetings held recently.

The CPFC endorsed the views of FA&CAO. In the long run it was neither good for SBI and for EPFO.

Dr. Reddy desired to know the cost of the entire exercise to the Organisation to which the CPFC clarified that it would be worked out and informed to the Committee.

The Chairman stated that the volume of money involved was too high and cannot to be handled in a casual manner. We have to be very careful in deciding the issue with the involvement of Ministry of Finance and Ministry of Labour & Employment would help in resolving the situation for the reason that there was no match between the no. of branches of SBI and its spread across India with other banks. EPFO has to do its home work properly before other banks are approached. It was not an easy option to switch over to other banks as huge sum of funds were involved.

The FA & CAO clarified that only 3800 branches of SBI are actually collecting money for EPFO out of the total of 11000 branches. With the new stand they might have restricted the number of collection branches further.

JS & FA (L&E) clarified the point of Chairman that the process of collection of money has to be understood first by the EPFO at the ground level that is how many branches were link branches and how many branches were the base branches and the number of offices they were catering to, then only then it would be in a position to arrive at decision on the whole issue.

Shri Babu Lal Todi observed that when the SBI is going for hike in their collection rates the EPFO should incorporate a provision of penalty for delay in sending of the information to EPFO offices on the amount received by them. The suggestion was accepted by the Members.

It was noted that the issue has already been taken up by the Ministry with the Finance Ministry. This would be further pursued with them and EPFO would adopt the same, once the final decisions have been taken. Simultaneously we may start negotiations with the other banks for exploring the possibility of agreement with them.

ITEM No.12: Set up of International Workers Unit – Creation of additional posts for IWU Section in EPF Organization.

The CPFC introduced the item and explained that contribution towards social security was being paid by an Indian worker employed outside India in the country he was employed but the money was not paid back to him when he returns back to India as per the social security laws in the concerned country. With the Social Security Agreements Indians workers would be able to get social security benefits for the service rendered outside India. These agreements would be on reciprocal basis which means that the employees of other countries who work in India and the employees of India who work in other countries will be covered by these agreements.

These agreements would be signed by the Ministry of Overseas Indian Affairs, Govt. of India on behalf of India that has identified EPFO as nodal agency for implementation of these agreements. EPFO was one of the negotiating party with other countries alongwith Ministry of Overseas Indian Affairs and Ministry of Labour & Employment. Agreements have been signed with Belgium and Germany. Agreement with Switzerland was under way. Discussions were going on with the countries like France, Australia, and Canada, etc. With gradual increase in totalization agreements, EPFO would be dealing with money transfer, paper works etc. As the present model had the approval of the Ministry of Overseas Indian affairs and the Ministry of Labour & Employment for creation of a separate cell it requires creation of the following posts for the IWU cell in EPFO Headquarters :

Addl. CPFC	- 01
RPFC Gr. I	- 01
RPFC Gr. II	- 02

The CPFC further explained that since there would be resultant cost on the organisation to handle the paper work and documentation there existed scope of income by

way of administrative charges which would be collected for the services rendered. At present there are nearly 150 employees registered as International workers. It would cover all the workers covered under various social security schemes in India including banks. This work was going to increase in future. He referred to the addendum placed on the table giving the indicative cost to be met. These consideration have been taken into account to balance the financial implications in the creation of above mentioned posts.

Dr. Sanjeeva Reddy observed that the employees need not be made to bear the cost of coverage as international worker. The CPFC clarified that in future there would be an inbuilt system where employers would be liable to meet the administrative costs.

JS & FA (L&E) observed that creation of posts attracts embargo of Ministry of Finance while observing the austerity measures in expenditure. He clarified that time and again the Ministry has pursued the matter with Ministry of Finance but it has been clarified that it applies to autonomous organisation like EPFO also. Since EPFO was collecting administrative charges and had self generating income sources there may not be any problem to get the clearance of Ministry of Finance.

The Chairman suggested that the proposal as contained in the agenda may be approved by the Committee and simultaneously it may be referred to the Ministry of Labour & Employment for ratification of the creation of above mentioned posts.

The suggestion of the Chairman was accepted by the members and with these remarks the agenda was approved by the Committee.

ITEM No.13: Re-classifying of the various posts of Employees' Provident Fund Organisation.

After a brief discussion the agenda was approved by the Committee.

ITEM No.14: Delegation of Administrative & Financial Powers in respect of repairs and maintenance work and sanction expenditure for maintenance of office lifts to Chief Engineer, PFD, Head Office.

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

ITEM No.15: Proposal for upgradation of Sub-Regional Office, Gulbarga to Regional Office and creation of posts at Commissioners level.

The CPFC introduced the item and explained the logic behind the upgradation of SRO, Gulbarga to the Regional Office level. There are two Regions within the vicinity of Bangalore and Regional office Mangalore controls the remaining part of the Karnataka state. He informed the House that SRO, Gulbarga was attached to RO, Mangalore which was very far from Gulbarga and hence led to certain administrative problems. With eight SROs attached to it, Mangalore Region was proving to be unwieldy. Appreciating the administrative difficulties, the Chairman, CBT, had desired that SRO Gulbarga may be upgraded. SRO, Gulbarga has been made a Regional Office with three Sub-Regional Offices namely Hubli, Bellary and Raichur. The Chairman, CBT, EPF had already approved the proposal for upgradation and placed for ratification by EC.

Dr. Sanjeeva Reddy desired to know the norms and criteria followed for upgradation of an SRO to an RO and further observed that similar requests for upgradation are pending from different places which may also be considered at the earliest. Addl. CPFC (HR) clarified that Gulbarga with all three SROs has around six lakhs accounts which justifies its upgradation. The CPFC clarified that we need to have a separate Region in Karnataka State. He further assured that other proposals would also be taken up.

The Chairman observed that the suggestion of Dr. Sanjeeva Reddy may be looked into and requested the Committee to approve the item.

Thereafter the Committee approved the proposal as contained in the agenda.

ITEM No.16: Purchase of land/plot for Construction of Office Building for SRO, Raichur.

After brief discussion the agenda was approved by the Committee.

ITEM No.17: Mutation of immovable property in favour of EPFO at Gorakhpur-U.P.

The CPFC introduced the item to the Committee with a brief background on the developments which had been placed before the EC earlier also. EPFO had hired a property on Nazul land belonging to DGE&T, under the Ministry of Labour & Employment at Gorakhpur, UP. Subsequently the DGE&T had sold the property to EPFO at Rs. 2.53 Crores. Since EPFO had purchased the property to operationalise SRO, Gorakhpur it made the payment in this regard. However, at the stage of mutation of the property, it was communicated by the District Collector that the land was a Nazul land that DGE&T had no rights to transfer the land to EPFO. They had directed EPFO to make the payment to the State government. The EPFO had made the payment after obtaining sanction of the EC to the DM, Gorakhpur and simultaneously DGE&T had refunded the money paid to them earlier. At the time of mutation the present DM had fixed a circle rate of the property which was 3 times as fixed by his predecessor with the instructions that EPFO can have complete rights over the property only on revised circle rates. A demand of Rs. 6.95 crores was raised by the state Government. Since there was steep rise in the price which was not justified, EPFO had sought legal advice to decide the further course of action. It was now being decided to take the property on perpetual lease for 99 years and to get back the amount paid to the State Government to work out the lease plan.

Dr. Sanjeeva Reddy remarked that it would be difficult to get back the money from the State Government.

The CPFC assured the Committee that maximum efforts would be made to get back the money or to adjust the amount against the lease amount.

With these observations the item was approved by the Committee.

ITEM No.18: Renewal of lease deed in respect of premises occupied by SRO, Laxmi Nagar, New Delhi.

The Chief Engineer introduced the item and informed the House that the rent for premises occupied by SRO, Laxmi Nagar, New Delhi has been enhanced by 20%. He also informed that EPFO was in possession of the property since 1993.

JS & FA (L&E) desired that whenever the rent was revised EPFO should insist upon improvement in the property so as to have better working environment and further enquired whether the conditions laid in the agreement would be revised.

Chief Engineer clarified that the owner was not ready to revise any of the conditions and the enhanced amount was at par with the market rate. He further informed the members that the rent was being revised on the basis of terms and conditions of the agreement entered into way back in 1993 and there was no deviation from the same.

With these observations the agenda was approved by the Committee.

ITEM No.19: Hiring of Accommodation for Opening SRO, Mysore Road in Karnataka region.

After brief discussion the agenda was approved by the Committee.

ITEM No.20: Rental accommodation for SRO, Allahabad (U.P.).

After brief discussion the agenda was approved by the Committee.

ITEM No.21: Hiring of office accommodation for Sub-Regional Office, Bommasandra - Ratification by the Executive Committee.

The CPFC informed the House that the item was circulated earlier as Item No. 7 when the meeting was scheduled in September, 2009. However on postponement of the meeting and keeping in view the urgency of the item it was sent to the Secretary (Labour & Employment) for approval in the capacity of Chairman, Executive Committee, CBT (EPF). The same was approved by him and placed for ratification.

The Committee approved the proposal and ratified the decision of the Chairman, Executive Committee, CBT (EPF).

ITEM No.22: Hiring of office accommodation for Sub-Regional Office, Park Street, Kolkata.

The CPFC informed the House that the item was circulated earlier as Item No. 6 when the meeting was scheduled in September, 2009. However on postponement of the meeting and keeping in view the urgency of the item it was sent to the Secretary (Labour & Employment) for approval in the capacity of Chairman, Executive Committee, CBT (EPF). The same was approved by him and placed for ratification.

The Committee approved the proposal and ratified the decision of the Chairman, Executive Committee, CBT (EPF).

ITEM No.23: Supplying/Installation & Commissioning of Window/split type AC unit for SRO, Karnal.

The Chief Engineer introduced the item to the Committee and that it had the recommendations of Sub-committee on Building and construction.

JS & FA (L&E) observed that the purchase of the Air Conditioners should have been through DGS & D rate contract.

Chief Engineer clarified that DGS & D contract applies to readymade ACs not to the cases of modification of the existing building and installation of the machine. Since the proposed ACs at Karnal Office are to be installed in the existing building with certain modifications it would not be feasible to go for DGS & D. Further the government agency has been taken on nomination basis as per the CPWD norms. The agency would charge agency charges and go for tendering process and all the CVC guidelines and GFR will be followed in completing the task.

JS &FA (L&E) remarked that if this was the case then the CVO, EPFO has to take a call on the issue and the matter may be finalized in consultation with CVO.

At this point Shri Babu Lal Todi observed that DGS & D rates are much higher than the market rates and hence we should not go for the DGS & D rates.

Addl. Secretary (L&E) desired to know the specific items about which Shri Todi was referring and clarified that it was always advisable to go with the DGS & D rates in the government set up. Moreover, the DGS&D keeps revising the rates.

With these observations the item was approved by the Committee subject to the condition that it may be finalized in consultation with CVO, EPFO.

ITEM No.24: Supplying, Installation, Testing and Commissioning of Ductable type AC Unit for 3rd and 4th Floor at Regional Office Building, Chennai.

The Chief Engineer introduced the item which was approved by the Committee after brief discussion subject to the condition that it may be finalized in consultation with CVO, EPFO.

ITEM No.25: Supply, Installation, Testing and Commissioning (S/I/T/C) of one 6 passenger capacity lift for Regional Office, Kanpur- U.P.

After a brief discussion the item was approved by the Committee.

ITEM No.26: Special repair works undertaken at EPFO staff Quarters, Anna Nagar, Chennai- Revised Estimate- reg.

The Chief Engineer introduced the item to the Committee.

JS & FA (L&E) desired to know the conditions for completion schedule of the project and whether there was any penalty clause in the terms and conditions of the project. He further suggested that if the project was not completed penalties have to be imposed as per the agreement.

The Chief Engineer gave a brief background of the project which was earlier brought before the EC and sanction was taken to carry out special repairs as the condition of the flats were not upto the standards. The site was visited by the then Chairman, EC and after taking view of IIT, Chennai the project was revalued and given to a new agency AIR.

The new agency did not agree with the agreement conditions laid down by EPFO. They clarified that they would take up the work on deposit basis and did not accept the penalty clause in the agreements and the condition of having their own kitty as drawn by EPFO based on CPWD norms. As purely Government agency they clarified that they can only take disciplinary action against the employees and no liability towards penalty and arbitration was acceptable. It was only after much persuasion that they have come forward after one and a half year and have entered on an agreement. There was no agreement when allocation was made to the agency to take up the project.

Addl. Secretary (L&E) drew attention of the House to page 166 of the agenda wherein it was mentioned that "The agreement provides the agency to claim actual cost based on tendered amount" which sufficiently answered the query of JS & FA (L &E).

Thereafter the Chairman requested the Committee to approve the item.

With these observations the item was approved by the Committee.

ITEM No.27: Construction of office building for SRO, Rajahmundry (AP).

After brief discussion the agenda was approved by the Committee.

ITEM No.28: Construction of office building for SRO, Vellore (Chennai).

Chief Engineer introduced the item to the House.

Addl. Secretary (L&E) observed that the estimate mentioned in the item needs some fine tuning as some of the amount appeared to be on the higher side.

JS &FA (Labour) endorsed the views of Addl. Secretary (L&E) and suggested that the EPFO should prepare its own estimates first and then compare it with the estimates of the agency so that it did not happen that EPFO was made to accept whatever estimates the agency was quoting.

Shri Babu Lal Todi observed that in order to prepare the estimates the Organization needs proper infrastructure in the Physical Facilities Division.

The Chief Engineer clarified that the job has been outsourced as there was no infrastructure available in EPFO. Moreover, the estimates have been prepared on the basis of DSR and on the measurements of Government land.

Dr. G.Sanjeeva Reddy further suggested that a member of the Sub-Committee of the Executive Committee on Building and Construction may be associated with the tender Committee so that some transparency was brought in the entire process.

With these observations the item was approved by the Committee.

ITEM No.29: Regularization of Ad-hoc Service against regular vacancy in the quota as per recruitment rules due to delay in conducting D.P.C.'s in the various cadres in respect of employees & officers of Employees' Provident Fund Organisation.

The item was introduced by the CPFC wherein he explained that there had been considerable delay in the regularization of adhoc services of the staff and officers of EPFO since 2004 due to delay in holding the DPCs. In such a situation the posts are filled on ad-hoc basis. But when proposals for making regular promotion to higher posts in the same line of promotion are taken up there is a basic eligibility of regular service in the lower post. Accordingly the employees and officers of EPFO lose their promotion opportunities for want of required qualifying service in the cadre. Since the delay occurred due to some

unavoidable administrative circumstances it was proposed to count the adhoc service as qualifying service only for the purpose of future promotion with 01.01.2004 as the cut-off date by way of notification of special rules contained in the agenda as opined by the Legal Advisor of EPFO enabling the staff and officers to fulfill their required qualifying service for promotion to the next cadre. He further added that nobody would be affected adversely by these special rules and there would not be any financial implications of the same.

Dr. Sanjeeva Reddy enquired why the provision for Departmental examination had been made in the Special rules. He further desired to know the purpose of having a cut-off date i.e. 01.01.2004 and further remarked that if the adhoc promotions were to be regularized they should be regularized from the actual date of adhoc promotions provided the vacancy existed in the cadre as on the date of adhoc promotion. He did not accept the idea to have a cut off as there may be many cases before 01.01.2004.

Addl. CPFC (HR) explained the members that the maximum regular service required for promotion is 05 years in the cadre and in the case of Assistant cadre, it is 06 years and on that basis the cut-off date has been fixed as 01.01.2004 as all the cadres would be covered under this period and no one would be denied promotion for want of minimum required service in a particular cadre who were given adhoc promotions and not regularized since then. If we go back from a cutoff date there would be plethora of cases.

The Chairman intervened that the point to be clarified was whether there was no such case before 01.01.2004, it being a cutoff date. Endorsing the views of Dr. G. Sanjeeva Reddy, the Chairman observed that it would be better on the part of EPFO to give the complete information in the agenda as to whether any staff that had been in adhoc service earlier to the cut-off date would be affected because of the cut-off date.

The CPFC accepted that there may be cases but they have all been taken care in the DPCs held till 2004. The CPFC remarked that there should be a reasonable limit to go back as many of the staff and officers would have retired, expired or left service and it would not be advisable to open buried cases there being 20 cadres involved in the proposal. He clarified that even if such an exercise taken we may have to come to cutoff date ultimately.

However, the Chairman felt that it would not be appropriate to have a cut-off date keeping in mind a particular cadre or officials and requested the CPFC to place the details/number of officials who were denied promotions for want of minimum qualifying service before next Executive Committee meeting as he felt that there was nothing wrong the exercise which may lead to a conscious and better decision. If the situation demands that a date was required the EC may decide and proposal may be brought to EC by the organisation.

With these observations the agenda item was not accepted in the present form.

ITEM No. 30: Proposal for providing supporting staff to Union Labour Minister/ Chairman, Central Board of Trustees, EPF & Minister of State/Vice Chairman, Central Board of Trustees, EPF.

The proposal was withdrawn.

ITEM No.31: Leased accommodation in EPFO - Revised entitlements to the officers on All India transferability after acceptance of 6th Central Pay Commission recommendations.

The CPFC introduced the item and informed the Committee that the lease facility has been provided to the officers of EPFO since 1989 in view of the fact that the officers of EPFO are not entitled to Central Pool Accommodation. Similar enhancement was done after adoption of 5th Pay Commission Recommendations by the EPFO keeping the formula same. He explained that on implementation of the recommendations of 6th Pay commission and

subsequent increase in market rentals of the residential property, entitlement for leased accommodations need to be revised as there was a huge gap between the market rates and the entitlement limits. He further informed the house that the facility would be available only to those officers who have All India transfer liability and / or do not have fixed tenure at any station. All the queries raised in the last meeting have been suitably answered in the present agenda and accordingly he proposed to approve the agenda.

Shri Babulal Todi remarked that this facility should not lead to pecuniary gain in small areas and enquired that in whose favour the lease was done.

Addl. CPFC (HR) clarified the member that lease was done in favour of EPFO and since the payment was made directly to the land-lord through cheque there was no possibility of pecuniary gain by the officers. Shri Babu Lal Todi was satisfied with clarification and requested to pass the agenda.

All the members present in the meeting endorsed the views of Shri Todi.

The Chairman agreed to the agenda and accordingly the proposal as contained in the agenda was approved by the Committee.

ITEM No.32: Proposal for enhancement in the rate of Fixed Medical Allowance (FMA) paid to the employees & pensioners of the Employees' Provident Fund Organisation (EPFO).

The CPFC introduced the item to the House. Dr. G. Sanjeeva Reddy observed that the Fixed Medical Allowance (FMA) may be enhanced to Rs. 1200/- p.m. instead of Rs. 1000/- p.m. proposed in the agenda. The proposal of Dr. Sanjiva Reddy was accepted by all the members of the Committee and accordingly it was decided that the FMA may be enhanced to Rs. 1200/- p.m. with all the conditions as contained in the agenda.

At the conclusion the CPFC thanked the Chairman and all the Members present as it happened to be his last meeting as Member Secretary of the EC, CBT.

All the Members of the EC thanked the CPFC with voice vote and appreciated his services as Member secretary of the Executive Committee.

The meeting ended with thanks to the chair.

ANNEXURE – 'A'

List of officers of Ministry of Labour & Employment and Employees' Provident Fund Organisation, who attended the 67th Meeting of the Executive Committee, CBT (EPF) held on 04.12.2009.

1. Shri Goutam Roy, Director (Finance), Ministry of Labour & Employment.
2. Shri Abhay Kumar Singh, FA & CAO, EPFO.
3. Shri Rajeev Kumar, Chief Vigilance Officer.
4. Shri B. K. Panda, Addl. CPFC (IS).
5. Shri A. Kulshrestha, Addl. CPFC (CSD).
6. Shri V. P. Ramaiah, Addl. CPFC (HR).
7. Col. P .K. Chaturvedi, Chief Engineer.
8. Shri R. K. Kukreja, RPFC (HRM).
9. Shri P. U. Kulkarni, RPFC (Pension).
10. Shri K. L. Goyal, RPFC (IMC).
11. Shri Shankar Pathak, Director (Recovery).
12. Shri S. Deb, RPFC (Compliance).
13. Shri R. K. Singh, RPFC (F&A).
14. Shri Chandramouli Chakraborty, RPFC (IS).
15. Smt. Uditia Chowdhary, RPFC (HRM-I).
16. Shri V. Shyam Sunder, Director (Audit).
17. Shri Sanjay Bisht, RPFC (Conference).
18. Shri S. C. Sharma, RPFC (ASD).
19. Shri Vishal Agarwal, APFC (Conference).
20. Shri J. C. Thukral, APFC (ASD).