

EMPLOYEES' PROVIDENT FUND ORGANISATION

FINAL MINUTES AND PROCEEDINGS OF THE

69th MEETING OF EXECUTIVE COMMITTEE, CBT (EPF)

Meeting : Executive Committee, Central Board of Trustees (EPF)
Date : **08.12.2010**
Venue : Main Committee Room
"C"- Wing, 1st Floor, Ministry Of Labour & Employment,
Shram Shakti Bhawan, New Delhi-110001

The 69th 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. Chatterjee Central Provident Fund Commissioner	Member Secretary
Shri Ravi Mathur, Addl. Secretary, Ministry of Labour & Employment Government of India, New Delhi.	Central Government Representatives
Dr. Anuradha Lamba, Dy. Labour Commissioner Representing Principal Secretary, Department of Labour & Employment, Govt. of Haryana. Shri M.E. Ahmed, Joint Labour Commissioner Representing Principal Secretary Department of Labour & Employment, Govt. of Bihar.	State Government Representatives

Shri Girish Awasthi Shri D.L. Sachdev Shri Ashok Singh (Representing Dr. G. Sanjeeva Reddy)	Employees' Representatives
Shri J.P. Chaudhary Shri Babulal B. Todi Shri B.P. Pant	Employers' Representatives

The following member could attend the meeting and was granted leave of absence:

Dr. G. Sanjeeva Reddy	Employers' Representative
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The following member was absent from the meeting:

Principal Secretary, Department of Labour & Employment, Govt. of Uttar Pradesh	State Government Representative
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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"**. The proceedings of the meeting are as in **Annexure – "B"**.

The decisions and important observations of the Executive committee are as follows

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Introduction: At the outset, the Secretary (L&E) and Chairman, EC welcomed the CPFC and Members present to the 69th Meeting of the Executive Committee. He then invited the CPFC to take up the agenda items.

Item No. 1: Action Taken Statement in respect of EC Meetings held upto 08.12.2010 (69th EC meeting).

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

1.	<p>Updating of Fire hydrant at EPFO Headquarters, HUDCO Vishala Building, New Delhi.</p> <p><i>Item No. 1(Sl. No. 1 of Action Taken) of 68th Meeting of the EC held on 06.08.2010)</i></p>	<p>Action on the portion occupied by EPFO has been taken. The matter has been brought to the notice of Department of Revenue for taking action on the portion occupied by them. The inspection carried out by Delhi Fire Service on 12.10.2010 in building premises after fire incident in their portion has also been brought to their notice.</p>
2.	<p>Decision on Banking Arrangement for collection.</p> <p><i>Item no. 11 of 67th Meeting of E.C. held on 04.12.2009.</i></p>	<p>Banking agreement has been signed with SBI for period of three years on 1.10.2010. As per clause 5.9 SBI shall pay an amount of @ 2% above its savings bank rate interest whenever the time limit as prescribed in clause 5.5 is not met.</p>
3.	<p>Recommendations of Sub-committee of the CBT, EPF constituted for examining anomalies in the implementation of 6th Central Pay Commission.</p> <p><i>Item no. 2 of 68th Meeting of E.C. held on 06.08.2010.</i></p>	<p>The proposal for re-structuring of all the posts of Employees' Provident Fund Organisation is under consideration. The Chairman further informed that he would be taking meetings with the EPFO officers association and other staff federation to discuss aspects of anomalies and restructuring.</p>
4.	<p>Re-Structuring of the Physical Facilities Division (PFD) in Group 'A' and 'B' posts in Employees' Provident Fund Organisation (EPFO).</p> <p><i>Item no. 3 of 68th Meeting of E.C. held</i></p>	<p>The decision has been implemented for creation of additional posts in PFD vide office order no. HRD/1(2)2009/Restructuring (PFD)/44202 dated 26.10.2010.</p> <p>Shri Girish Awasthi observed that the</p>

	<i>on 06.08.2010.</i>	matter of filling up of the posts has taken more than two years and may be expedited. He also made a mention of the matter of grant of pay scale to Chief Engineer in EPFO equivalent to similar posts in Central Govt. The Chairman directed that the case may be submitted to him again.
5.	Proposal for Amendment to the Recruitment Rules for the post of Assistant Director (Official Language). <i>Item no. 4 of 68th Meeting of E.C. held on 06.08.2010.</i>	The matter has been referred to Mo L& E vide letter no. HRD/1(12)99/RR/Pt.III / CAT Cases /1671 dated 23.11.2010.
6.	Registration of Office Building of Regional Office, Indore. <i>Item no. 5 of 68th Meeting of E.C. held on 06.08.2010.</i>	The decision of the Executive Committee has been implemented and necessary action taken.
7.	Hiring of office accommodation for SRO, Kollam. <i>Item no. 7 of 68th Meeting of E.C. held on 06.08.2010.</i>	The decision of the Executive Committee has been implemented and necessary action taken.
8.	Purchase of Land for Construction of Office Buildings at SRO, Kukatpally and SRO, Bellary. <i>Item no. 8 of 68th Meeting of E.C. held on 06.08.2010.</i>	The decision of the Executive Committee has been implemented and necessary action taken.
9.	Demolishing and Reconstruction Works for RO, Madurai. <i>Item no. 9 of 68th Meeting of E.C. held on 06.08.2010.</i>	The decision of the Executive Committee has been implemented and necessary action taken.
10.	Special Repair works for EPFO staff quarters. <i>Item no. 10 of 68th Meeting of E.C. held on 06.08.2010.</i>	The decision of the Executive Committee is being implemented.
11.	Air-conditioning work at various offices of EPFO. <i>Item no. 12 of 68th Meeting of E.C.</i>	The Chairman observed that the decision of the EC on the agenda item was not recorded correctly.

	held on 06.08.2010.	<p>The existing para in the proceedings at page 13 of the final minutes of the 68th EC held on 06.08.2010 at Annexure "A" is to be amended as below:-</p> <p>"The Chairman indicated that provisioning of air-conditioning facility was important for EPFO offices. It is important to modernize the offices not only for providing good working conditions but to have better output. The members visiting EPFO offices should also feel comfortable. He observed that the agenda may be approved by the Committee and RPFs in-charge may be authorised to install the Air-conditioners in the offices to facilitate computerisation after following the GFR procedure laid down and the CVC guidelines." Instructions are being issued accordingly.</p>
12.	<p>Delegation of Administrative powers.</p> <p>Item no. 15 of 68th Meeting of E.C. held on 06.08.2010.</p>	The recruitment rules approved by the CPFC are being sent to MoL&E for further necessary action.
13.	<p>Extension of Office building for Regional Office, Gulbarga.</p> <p>Item no. 17 of 68th Meeting of E.C. held on 06.08.2010.</p>	The decision of the Executive Committee has been implemented and necessary action taken.
14.	<p>Construction of office building for sub-Regional Office at Bhopal and Rohtak.</p> <p>Item no. 18 of 68th Meeting of E.C. held on 06.08.2010.</p>	The decision of the Executive Committee has been implemented and necessary action taken.

Decision : The action taken report was noted by the Committee. The existing para in the proceedings at page 13 of the final minutes of the 68th EC held on 06.08.2010 at Annexure "A" was also amended as below:-

"The Chairman summed up that provisioning of air-conditioning facility was important for EPFO offices. It is important to modernize the offices not only for providing good working conditions but to have better output. The members visiting EPFO offices should also feel comfortable. He observed that the agenda may be approved by the Committee and RPFs in-charge may be authorised to install the Air-conditioners in the offices to facilitate computerisation after following the GFR procedure laid down and the CVC guidelines."

It was also directed that henceforth all the decisions taken by the EC, should be implemented within a time frame without exception.

Item No. 2: Draft Annual Report on Work and Activities of the Employees Provident Fund Organisation for the year 2009-10.

Decision: The Executive Committee recommended the Draft Annual Report on the work and activities of the Board for the year 2009-2010 to be placed before the 191st Meeting of the Central Board of Trustees.

Item No. 3: Audited Annual Accounts in Respect of Employees Provident Fund Scheme, 1952, Employees Pension Scheme, 1995 and Employees Deposit Linked Insurance Scheme, 1976.

Decision: The Executive committee deferred the agenda on the Audited Annual Accounts with the observation that it may be placed before the next EC meeting to be convened in January 2011.

Item No.4: Mutation of immovable property in favour of EPFO at Gorakhpur, UP.

Decision: The proposal contained in para 12 of the agenda was approved by the Committee.

Item No. 5: Supplementary Budget for carrying Out Exclusive Publicity Campaign on Inoperative Accounts.

Decision: The proposal contained in para 11 of the agenda was approved by the Committee.

Item No. 6: Shifting Investment from IIFCL Bonds to SDLs.

Decision: The proposal contained in para 4 of the agenda was approved by the Committee.

Item No. 7: Purchase of Ready Made Office Building for Regional Office, Peenya and Office of the ACC (KN & Goa).

Decision: The agenda was deferred by the Committee, with the directions that the CPWD may first evaluate the cost of the building and the accessories.

Item No. 8: Deployment of Outsourced Technical Man Power in EPFO Offices for sustainability of the Computerisation Project.

Decision: The Committee decided that technical manpower can be hired from both the NICS I and -UTTSL being government agencies as required and approved the proposal.

Item No. 9: Relaxation in Investment Guidelines to increase limit and expand the basket of instruments in Pvt. Sector.

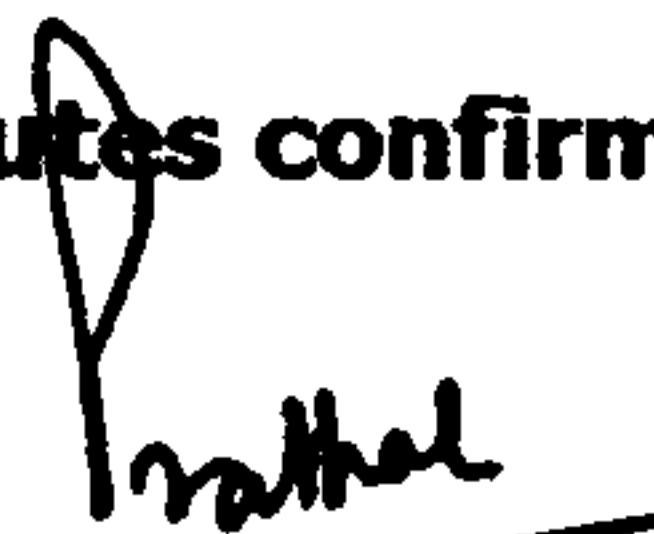
Decision : The agenda item was withdrawn.

Item No. 10: Other items with the permission of the Chairman-observations of members.

Decision : The observations were noted for appropriate action.

The meeting ended with vote of thanks to the chair.

Minutes confirmed.



**(Prabhat Chandra Chaturvedi)
Chairman, Executive Committee, CBT &
Secretary (Labour & Employment), Govt. of India.**

ANNEXURE -- 'A'

List of officers of Ministry of Labour & Employment and Employees' Provident Fund Organisation, who attended the 69th Meeting of the Executive Committee, CBT (EPF) held on 08.12.2010.

1. Shri S.K. Verma, Director, Ministry of Labour & Employment.
2. Shri Abhay Kumar Singh, FA & CAO, EPFO.
3. Shri B. K. Panda, Addl. CPFC (IS).
4. Shri S.R. Joshi, Addl. CPFC (HR).
5. Col. P .K. Chaturvedi, Chief Engineer.
6. Shri K.C. Pandey, Addl. CPFC (Compliance)/(MIS)
7. Shri A. Kulshrestha, Addl. CPFC (Pension).
8. Shri R. K. Kukreja, RPFC (HRM).
9. Shri K. L. Goyal, RPFC (IMC).
10. Shri Anil O.K., RPFC (Publicity).
11. Shri S. C. Sharma, RPFC-II (ASD).
12. Shri Jagat Singh Baghel, Exec. Eng. (Electrical)
13. Shri Sanjay Bisht, RPFC-II (Conference).
14. Shri Vishwanath Sharma, APFC (ASD).

Annexure – "B"

EMPLOYEES' PROVIDENT FUND ORGANISATION

PROCEEDINGS OF THE

69th MEETING OF EXECUTIVE COMMITTEE, CBT (EPF)

Meeting : Executive Committee, Central Board of Trustees (EPF)
Date : **08.12.2010**
Venue : Main Committee Room
"C"- Wing, 1st Floor, Ministry Of Labour & Employment,
Shram Shakti Bhawan, New Delhi-110001

At the outset, the Secretary (L&E) and Chairman, EC welcomed the CPFC and Members present to the 69th Meeting of the Executive Committee. He then invited the CPFC to take up the agenda items.

Item No. 1: Action Taken Statement in respect of EC Meetings held upto 08.12.2010 (69th EC meeting).

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

Shri B.L Todi observed that there was a need to have a time frame for implementation of the decisions of the EC. Secondly, there were matters where decisions have been taken by the EC but no action has been at the office level citing clearance from finance etc. He made mention of Sl. No. 11 in the action taken report. The Air conditioning Work in the EPFO was not being carried out due to the objection of the Finance Division of EPFO in accordance with the decision of the last EC meeting. In this regard, the

Chairman took a strong view on the functioning of the Finance Division of EPFO and asked how can the finance division take a view contrary to what has been decided in the last meeting of the EC. If the decision has been recorded in this manner, it was wrongly recorded in the minutes. He reaffirmed the decision of the EC again to empower the RPFCs in-charge to take up the work for installation of Air Conditioning at offices as a part of Computerisation of offices. He noted that all that was required by the RPFCs in-charge was to follow the financial rules and guidelines of the CVC.

Shri B. L. Todi raised another issue on Sl. No.2 on Banking arrangement in action taken report. He said that it was not clear from the action taken report whether a clause of levying penalty on SBI for delay in sending the contributions to the EPFO, has been included in the agreement or not.

The Chairman informed that the agreement with the bank has being done in the interest of the workers and all the relevant issues will be taken up with the Bank. He recapitulated that the matter had been pending for a long time and had become very critical for the EPFO. It was discussed at length in the 67th EC meeting also. The present CPFC had negotiated the terms with the SBI very carefully so that the existing established collection system of funds was not hampered. He assured that the agreement has been entered taking into account all the aspects. The performance of the SBI would be closely monitored.

Shri Girish Awasthi drew the attention of the members on the lease accommodation entitlement of the officers (Sl. No. 5 at page 11). He raised the issue that the amount being provided for the lease accommodation was insufficient due to high cost of market rent. The Chairman clarified that the matter of raising the rate of lease accommodation was accepted by the EC very recently and if there was a need for further enhancement, then a proposal may be placed for the deliberation of the EC.

Shri Girish Awasthi invited attention to the item at Sl. No. 4 of the action taken report and observed that the decision on restructuring of PFD and recruitment of Junior Engineers has taken two years ago but nothing has been done as yet. He also made a mention that the Chief Engineer in EPFO should be given the pay scale equivalent to the similar post in the Central government and the benefits to the Chief Engineer should not be put on hold for the want of the restructuring of the PFD.

Director (SS) informed that the recruitment could not be done due to a proposal for amending the recruitment rules of the Junior Engineer, which has been approved by the Central Government and has already been sent to the UPSC by the EPFO. The matter has progressed in the right direction and the matter requires persuasion with the UPSC. Regarding the pay scale of Chief Engineer, he clarified that in consultation with the DOP&T the decision of the Ministry has been communicated to EPFO in the matter.

The Chairman observed that regarding the matter of recruitment of JEs, he would taken up the matter with Secretary UPSC. On the matter of pay scale of the Chief engineer, he concluded that the matter may be submitted to him again.

Shri J.P. Chowdhary in the context of the Banking arrangement observed that EPFO should start e-filing of returns and electronic transfer of contributions to be paid by the employers. The Banks have the software to handle the transactions would also intimate the EPFO of the receipt of the money from the employers.

The Chairman informed that this issue is already there in the minds of the implementing authorities and will be done in the second phase of the computerisation which starts after March, 2010. He further informed that at present the strategy is to computerise all the EPFO offices in first phase and stick to the existing schedule. The features like filling of e-challan, e-returns and e-payments would be taken in the second phase after March 2011. However, he advised Shri Chowdhary to discuss the technical aspects in detail with the CPFC.

Shri Girish Awasthi noted that in the last meeting he had raised the issue of regularising the ad-hoc promotions from the date of occurrence of vacancies. The Chairman informed that the regularisation will be done as per the instructions of the DOPT. He directed that the observations of Shri Awasthi may be examined and the Member may be informed if there was a difference of opinion in the interpretation of the DOP&T instructions.

The Chairman then invited attention of the Members to the matter of Anomalies Committee Report that was placed before the last EC. He stated that he has called the representatives of the EPF officers association and the representatives of the other cadres to discuss the various aspects of the restructuring of the EPFO cadres and also to sort out the aspects relating to the anomalies. He informed that this would be then placed before the EC subsequently.

With the above deliberations the action taken report was noted by the Committee. The existing para in the proceedings at page 13 of the final minutes of the 69th EC held on 06.08.2010 was also amended as below:-

"The Chairman summed that provisioning of air-conditioning facility was important for EPFO offices. It is important to modernize the offices not only for providing good working conditions but to have better output. The members visiting EPFO offices should also feel comfortable. He observed that the agenda may be approved by the Committee and RPFCs in-charge may be authorised to install the Air-conditioners in the offices to facilitate computerisation after following the GFR procedure laid down and the CVC guidelines."

Item No. 2: Draft Annual Report on Work and Activities of the Employees Provident Fund Organisation for the year 2009-10

The CPFC presented the Draft Annual Report on work and activities of the EPFO for the year 2009-10 and informed that the Draft Annual Report 2009-10 has already been circulated to the CBT members. He highlighted that this year photographs have been included in the Draft Annual Report on various activities taken up during the year to make the contents more lively. He assured that more photographs including that of CBT members will be put in the next year Annual Report. He requested the members to make their observations so that the Executive Committee may recommend placing the Draft Annual Report before the Central Board of Trustees.

Shri D.L. Sachdev observed that the Members would like to raise their comments before the meeting of the 191st meeting of the CBT to be held next day. This was endorsed by the other Members.

With the above deliberations the Executive Committee recommended the Draft Annual Report on the work and activities of the Board for the year 2009-2010 to be placed before the 191st Meeting of the Central Board of Trustees.

Item No. 3: Audited Annual Accounts in Respect of Employees Provident Fund Scheme, 1952, Employees Pension Scheme, 1995 and Employees Deposit Linked Insurance Scheme, 1976.

The CPFC informed that the agenda item no. 3 has to be deferred for want of the Audit Certificate from CAG. The matter is being pursued with the authorities. Accordingly, the Audited Annual Accounts would be placed before the next EC and CBT meeting to be convened in January 2011.

With the above deliberations the agenda item was deferred by the Committee.

Item No. 4: Mutation of immovable property in favour of EPFO at Gorakhpur, UP

The CPFC introduced the agenda item. He informed the matter of purchase of land from the State Government of UP Government has been going on for some time. After persuasion, the State government has asked for some addition amount to allow the EPFO to purchase the land on freehold basis and has demanded the difference in the amount to be paid now as per the revised circle rate. He further informed that the sub-committee for Building and Construction has recommended the payment of difference in the amount to get the land registered for SRO, Gorakhpur. The Members were in agreement with the proposal.

With the above deliberations, the proposal contained in para 12 was approved by the Committee.

Item No. 5: Supplementary Budget for carrying Out Exclusive Publicity Campaign on Inoperative Accounts.

The CPFC informed the members that a decision was taken in the 190th CBT meeting held on 15.09.2010 that the crediting of interest in the accounts which are inoperative for the last 36 months would be stopped. It was also decided that till the decision is notified, a massive campaign would be launched by the EPFO to reach the persons having inoperative accounts through media. Legally also before stopping credit of interest, such members/account holders have to be given sufficient notice. In order to give wide publicity on inoperative accounts, offices of DAVP, AIR and Doordarshan were approached. There would be two phases of campaign of 15 days each. The first would be on Doordarshan and AIR and the second would be on FM channels and private channels. The approximate expenditure would be Rs. 8.96 crores and it has been requested in the proposal for an administrative approval of Rs. 10.00 crores as the final expenditure.

Shri Girish Awasthi observed that the amount was a huge sum and further negotiations be made with the agencies to reduce the cost of publicity. The CPFC clarified that the agencies have been approached through the Government and the estimates have been reduced after negotiations.

Shri B.L. Todi raised the issue of the problems with the transferring of the Accounts of the employees. He observed that in the last meeting also it was discussed that the employers would be approached to provide the last known address of the employee and this should also be part of the campaign. He noted that it is the duty of the offices to rectify the defects in the EPF transfer applications and facilitate such transfer requests.

The Chairman accepted the suggestion and desired that the EPF offices can use postcards for the employees which can be supplied to the employers.

The CPFC informed that in order to address the accounts transfer problems necessary modifications are being made in the software. The existing provisions of the scheme were given a relook to resolve the apparent anomaly in the present procedure of transfer of accumulations from unexempted account to another unexempted account and transfer from unexempted account to an exempted account. A separate agenda has been placed before the 191st meeting of the CBT to seek approval of the procedure to be followed

in transfer of the accumulations in the new software. It is being tested to make the transfer on the lines of NEFT. Henceforth the transfer would be treated as claims in the new software in order to assure expeditious settlement of transfer.

Shri Ashok Singh appreciated the efforts of the EPFO in improving the services.

With the above deliberations, the proposal contained in para 11 was approved by the Committee.

Item No. 6: Shifting Investment from IIFCL Bonds to SDLs.

The CPFC introduced the agenda item. He informed that EPFO has invested approximately Rs. 950 crores in IIFCL Bonds at 6.5% rate of interest in the past which is due for maturity in the next 4 years. It has been examined that if these instruments are sold now and reinvested in the present rates, the corpus would gain in terms of both return on capital and on the interest. The total financial gain would be approximately Rs. 85 crores in the next 4 years. It has thus been proposed that the EC may approve and recommend the proposal to the CBT.

With the above deliberations the proposal contained in para 4 of the agenda item was approved by the Committee.

Item No. 7: Purchase of ready made Office Building for Regional Office, Peenya and Office of the ACC (KN & Goa).

The agenda item was deferred by the Committee.

Item No. 8: Deployment of Outsourced Technical Man Power in EPFO Offices for sustainability of the Computerisation Project.

Addl. CPFC(IS) introduced the item. It was informed to the members that at present it has been decided to hire technical manpower from the NICSI for development and hardware training when 28 offices were taken up in the first tier of computerisation. During the current year 58 offices have been taken up for computerisation and shortage of technical manpower has been felt. The project has since been implemented in about 50 offices and the remaining offices have to go live by March 2011. NICSI though a Government body has outsourced technical manpower and there was a persistent problem of the continuity of the outsourced manpower. It was thus proposed to hire technical manpower from UTITSL which is under a GOI company under Ministry of Finance.

The CPFC clarified that the UTITSL, an entity of the UTI, has agreed to provide for technical services at par with the NICSI rate and proposal may be agreed to.

With the above deliberations, the Committee decided that the technical manpower can be hired from both the NICSI and UTITSL being government agencies and approved the proposal.

Item No. 9: Relaxation in Investment Guidelines to increase limit and expand the basket of instruments in Pvt. Sector.

The agenda item was withdrawn.

Item No. 10: Other items with the permission of the Chairman - observations of members.

After the agenda items were discussed, Shri Babu Lal Todi with the permission of the chair made two points. First he stated that when the small companies close down their assessment of dues is made by the EPFO offices by auditing the balance sheets. There are instances that such companies are given notice after much delay which causes harassment

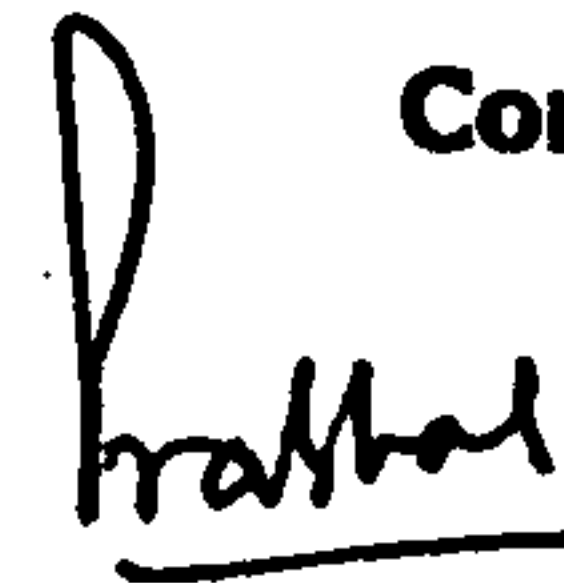
and dues get compounded. He suggested that such assessment need to be made immediately when the companies are closed and intimation is received from them. He desired that suitable instructions may be issued to EPFO Offices. The second point he made related to implementation of non-functional selection grade (NSFG) in EPFO to the extent of 30% of the posts available in executive cadre. However, the Government has given sanction for implementation of only 15% of posts in NFSG.

The Chairman observed that regarding the first suggestion, the Member may bring specific instances to the notice of the CPFC. Regarding the implementation of NFSG he observed that what is applicable in the Government, can be implemented in EPFO also. He observed that the matter of implementation of NFSG can be placed before him as and when the proposal is received from EPFO.

At the conclusion the CPFC thanked the Chairman and all the Members present.

The meeting ended with vote of thanks to the chair.

Confirmed.



**(Prabhat Chandra Chaturvedi)
Chairman, Executive Committee, CBT &
Secretary (Labour & Employment), Govt. of India.**