



कर्मचारी भविष्य निधि संगठन
Employees' Provident Fund Organisation

श्रम एवं रोजगार मंत्रालय, भारत सरकार
Ministry of Labour and Employment, Government of India
मुख्य कार्यालय/Head Office

भविष्य निधि भवन, 14, भीकाजी कामा प्लेस, नई दिल्ली - ११००६६
Bhavishya Nidhi Bhawan, 14, Bhikaji Cama Place, New Delhi -110066

No.Conf.1(3)2022/232ndCBT(EPF) / 14900

Date: 16.12.2022

To

16 DEC 2022

All Members,
Central Board of Trustees (CBT), EPF

Subject: Draft minutes of 232nd meeting of Central Board of Trustees (CBT), EPF held on 31.10.2022- reg.

Madam/Sir,

I am directed to forward herewith the draft minutes of 232nd meeting of Central Board of Trustees (CBT), EPF held on 31.10.2022, duly approved by Chairman, CBT, with the request to forward your comments, if any, on the draft minutes to rc.conf@epfindia.gov.in.

Encl: as above

Yours faithfully,

यशस्य
16/12/2022
(Pramod Singh)

Regional PF Commissioner-I (Conference)

Copy to:

1. PS to Hon'ble Minister (Labour & Employment) and Chairman, CBT(EPF)
2. APS to MoS (Labour & Employment) and Vice Chairman, CBT (EPF).
3. PS to Secretary (Labour & Employment) and Co-Vice Chairman, CBT (EPF).
4. PS to Central Provident Fund Commissioner, Head Office, EPFO.
5. All Divisional Heads, Head Office and Director (PDNASS), EPFO
6. Under Secretary (SS-II), Ministry of Labour & Employment.
7. RPFC-I (NDC) for uploading on EPFO's website.
8. Guard File.

यशस्य
16/12/2022
(Pramod Singh)

Regional PF Commissioner-I (Conference)

Minutes of the 232nd Meeting of Central Board of Trustees (EPF)
Held on 31st October, 2022 at 11:30 AM at New Delhi

The 232nd meeting of Central Board of Trustees (CBT), EPF was held on 31st October, 2022 (11:30 AM) at New Delhi under the Chairmanship of Shri Bhupender Yadav, Hon'ble Union Minister for Labour & Employment & Chairman, CBT (EPF). Shri Rameswar Teli, Hon'ble Minister of State for Labour & Employment & Vice Chairperson, CBT (EPF), Ms. Arti Ahuja, Secretary (Labour & Employment) & Co-Vice Chairperson, CBT (EPF) and Ms. Neelam Shami Rao, Central PF Commissioner (CPFC) & Member Secretary, CBT (EPF) was present. List of members present is at **Annexure-A**.

2. At the commencement of the meeting the Chairman, both Vice-chairperson and the members were welcomed to the proceedings of the 232nd CBT Meeting. A special welcome was extended to Ms. Arti Ahuja, Secretary (Labour & Employment) & Co-Vice Chairperson, CBT (EPF) this being her first CBT meeting.

3. Chairman, CBT permitted to take up the Agenda Items for deliberations with the Board. It was informed that during the last meeting of the CBT (231st meeting), the preliminary version of EPFO's Vision @ 2047 document was circulated and it had been directed by Chairman, CBT that the next meeting would commence with the presentations on EPFO Vision@2047 document.

4. As per the directions of the Hon'ble Chairman, CBT in the last CBT meeting (231st) the final EPFO Vision@2047 document along with the roadmaps to achieve those visions was taken up as the first agenda item.

Accordingly, the Agenda Items were then taken up for deliberations:

Item No. 1:EPFO Vision@2047 document

It was informed that after the last CBT meeting a webinar was convened with CBT members explaining the vision and seeking their comments, suggestions and inputs. After incorporating the valuable suggestions and inputs from the CBT members, the EPFO Vision@2047 document has been prepared.

It was further informed the members that a one day 'Chintan Shivir' was organised under the Chairmanship of Hon'ble Union Minister of Labour & Employment and Chairman, CBT to ideate and brainstorm and come out with concrete short term targets for the next five years towards realizing the long-term Vision@2047 of EPFO.

During the 'Chintan Shivir' the deliberations had devolved around five themes, viz.: (i) increasing coverage, (ii) ease of compliance, (iii) capacity building (karmayogi), (iv) improving service delivery and (v) service to pensioners. Each of these themes were deliberated among a wide cross-section of officers and staff across the organization moderated by senior officers and the findings of the group were presented in the 'Chintan Shivir'. The presentations of these five themes have been enclosed with the agenda for ready reference of the CBT members. With the permission of the Chair, Shri Chandramauli Chakraborty, ACC(HQ) presented a video on the first theme "Mission 10 Crore-Increasing EPFO scope" and also highlighted the salient points and recommendations of the theme through a power point presentation.

The Hon'ble Chairman gave a broad bird's-eye-view of the various issues and policy directions that was engaging the attention of the Ministry of Labour & Employment at present. Prime among them was the implementation of the Social Security Code for which various preliminary actions like framing of rules and schemes was under consideration in the Ministry. Issues like this and others had been deliberated at length at a two-day National Conference of State Labour Ministers and State Labour Secretaries held at Tirupati on 25.08.2022 and 26.08.2022. He also stated that a meeting of International Social Security Association (ISSA) was held at Marrakech, Morocco and highlights of the deliberations will also be shared with the CBT members, if time permits.

The Chairman observed that the five topics discussed in EPFO's 'Chintan Shivar' was an attempt towards laying a broad short-term roadmap to meet the overall objectives of EPFO Vision @ 2047 that in turn was attuned to the Ministry's vision of the way forward in achieving the 2047 National objectives. He stated that all these exercises were being carried out with the intention to minimize the communication gap between decision maker and executives so that execution of plans and milestones are smooth and objective oriented.

With these observations the Chairman invited the comments of the CBT members on the theme that was presented before them.

Shri Prem Prakash Singh, Special Secretary (Labour), Uttar Pradesh stated that there are significant gaps in providing security to unorganised sector workers such as ASHA and Anganwadi workers. He also stated

there is lot of potential for increasing coverage by enhancing the wage ceiling for organised sector.

Labour Secretary, Telangana suggested sensitisation programme of the employers along with the coverage drive and increase in the wage ceiling.

Shri Anupam Malik observed that if better schemes and better benefits are provided to the employers and employees, they would themselves be inclined to avail the services. He observed that there was little growth in the contributing members during the period 2016 to 2019 but there is good growth observed since 2020, as a result of schemes and support provided to the establishments and members during the COVID pandemic. He also stated that the enforcement of the scheme should not result in the harassment of the stakeholders, nor there should be evasion by the contractors. He suggested that the PF contributions of the contractual employees may be ensured through principal employers, bringing all the government departments under the ambit of EPF & MP Act for all the contractual employees will be a good step. He requested to focus on crowd sourcing and deeper analysis of complaints to identify areas where there is scope for improvement and where issues remain. He suggested relaxations to the startups and highlighted the issue of non-transfer of the EPF membership from one establishment to other establishments due the inactivity by the previous employer. He also suggested allowing contributions from multiple employers especially when we are focusing providing the social security to gig workers. He suggested the prioritizing of the security of IT infrastructure.

Shri S.K. Sharma suggested that an orientation programme for the employers and an amnesty scheme, as was provided earlier, may be implemented for enrolling the employees hitherto deprived of PF benefits. He also pointed out that there are instances where the services have been frozen for the members for whom the establishments have availed the benefits of the ABRY on account of some discrepancies by the employers. He suggested that appropriate messages should be posted in the portals that are drafted carefully so as not to leave a negative impression on the members. He also suggested that all the employees in an establishment may be brought under the purview of EPF & MP Act with their contribution restricted up to a wage limit. He, however, felt that lower contribution rate for MSMEs should be considered.

Chairman stated that an employer should ensure the social security of its employees and is duty bound to contribute for the social security of his employee as it is the employee which earns profit for employers.

Shri Dilip Bhattacharya observed that now the minimum wages of employees in majority of the states are more than the current wage limit of Rs. 15,000 for EPFO coverage. He suggested that wage ceiling may be increased to Rs. 21,000 and employee strength for coverage may be reduced to 10 as in ESIC. He also observed that the establishments are engaging workers mainly on contractual basis and it has been seen that the social security benefits are not being provided to them. The contractual staff is not complaining due to the fear of losing their job. No monitoring of the evasion is being done as regular inspections are not allowed. He requested that inspections may be allowed and complaints by the union may be addressed so as to increase the coverage.

Shri Ashish Wig suggested that the workforce engaged in construction and agriculture areas are largely not provided social security benefits. He observed that there is reluctance by the low wage earners for enrolling themselves in EPFO as their take home salary is not adequate to address the basic daily requirements. He suggested that a scheme, for construction and agriculture sectors, may be provided where for a certain period Government may contribute employees' share, then the same may help in increasing the enrollment under EPF & MP Act. He also suggested awareness campaign for the employees of the establishment.

Shri Sukumar Damle stated that inspections without corruption should be ensured. There should be transparency in the compliance and enforcement of EPF & MP Act and trade unions should co-operate. He also emphasized on the need of increasing awareness among the stakeholders. He observed that there are around 02 Crore Anganwadi workers and not 22 lakh workers as shown in the PPT. He requested to extend the social security benefits to the workers of other sectors also. He observed that the deficit has been projected by the actuary in the EPS even though there is more income than the outgo from the EPS fund and suggested that the impact of covering more employees on EPS may be analysed.

Shri Sanjay Bhatia observed that IT security may be prioritised and supported the amnesty scheme for the employers as suggested by some of the CBT members. He suggested for the settlement scheme for long pending legal cases. He opined that interim measures required for changes from current labour laws to social security code may be expedited. He suggested open house seminar in zones, regional offices, district offices

etc. for awareness among the employers and employees. He said that he is not in favour of reducing the threshold for coverage.

Shri Sunkari Mallesham observed that the social security for all may be ensured by covering all the employees with contributions limited up to a certain wage limit. He suggested that more work areas may be brought under the ambit of EPFO, particularly non-teaching staff in the education institutes, nursing homes, hospitals, motor mechanic, and workers in malls who have not been covered. He also stated that the workers in the IT sectors are deprived of the social security benefits as they are excluded due to the wage ceiling of Rs. 15,000 for becoming members of EPFO. He requested to scrupulously implement the definition of the wages as provided in judgment of Vivekananda Vidyamandir and Others. He suggested to revise the threshold of wage ceiling and that it may be enhanced after every five years. He requested that payments of salary in cash by the employers may be stopped to increase the compliance of labour laws, further evasion in respect of the contractual employees can be addressed if a provision of declaring contractual employees with UAN by principal employer is made mandatory in the ECR. He emphasized that there should be an EPFO office for every 03 lakh workers and district offices should be given all the functionalities of Regional Offices.

Shri Michael Dias stated that the Home Guard should be covered in all the States. He emphasized that increase in coverage can be brought about by bringing Anganwadi worker, ASHA, gig workers, platform workers, domestic helpers into EPFO fold. He suggested undertaking these coverable areas one by one so that the issues in their coverage can be addressed efficiently. He expressed concerns on including components like

honorarium and such other remunerations for EPF deductions. He observed that there were lesser number of members in ESIC than in EPFO even though the coverage limit is lesser and wage ceiling is higher in ESIC compared to EPFO. He also remarked that EPFO should minimise litigations.

Shri Sachin Sinha, Principal Secretary (Labour), Madhya Pradesh said that the databases of various departments should talk with each other. He observed that there is lot of variance in the data available with various departments such as EPFO, shop & establishments, factories licenses, district industries centers, etc. and stated that there is a requirement to reconcile these figures. This reconciliation will help in increasing the coverage for EPFO. He also suggested collecting the data about the MSMEs from the banks from where they have taken the loan. He stated that there is a need of enforcement in the sectors where majority are contractual workers. He observed that it is not clear whether the Anganwadi workers and ASHA are the organised or unorganised sectors. He also observed that these workers are being covered under PMSYM in Madhya Pradesh and PMSYM is for the unorganised workers. He informed that although the Atal Pension Yojana (APY) and PM Shram Yogi Mandhan (PMSYM) are similar in nature but there is better coverage by around 10 times under APY than PMSYM as it is being implemented through Banks.

Shri Barun Kumar Ray, Principal Secretary (Labour), West Bengal said that other benefits may also be provided to the employee and suggested to provide all aspect for the welfare of the employees under one umbrella to make it attractive for the workers. He suggested raising awareness of various schemes. He suggested merging of EPFO and ESIC.

He also suggested legislation for mandatory contributions by the employers for the unorganised workers like domestic helps. He felt that there is a need for plugging of the loopholes in the rules and regulations for better compliance and coverage. He observed that the inspections have been curtailed for ease of doing business due to which the evasions are hard to catch. He suggested having Government e-labour Marketplace for procuring the contractual labour similar to Government e-Marketplace (GeM) being used to purchase inventories. He observed that there is a lot of potential for coverage in NGOs, hospitals and healthcare. He stressed on the payment of salaries through digital modes and mandatory provisions for issue of salary slip to the workers. He also emphasized inter-departmental sharing of the workers data.

Shri Md. Nasimuddin, Addl. Chief Secretary (Labour), Tamil Nadu suggested that the focus may be given to the states where the coverage under social security is low. He emphasised that there should be interactions between EPFO and local administrations for better implementation of the schemes. Inspection should be used as a deterrent for the non-compliant employers. He suggested that the approval for the inspections may be delegated for specific cases to the field offices for better administration of the EPF & MP Act. He observed that the low coverage of building and construction workers in EPFO is due to the enrollment of workers in the welfare boards' robust welfare schemes. The workers registered with welfare boards are not inclined to enroll themselves with EPFO and if these workers are also taken into account, then there will be a good percentage of building and construction workers getting the social security benefits.

Shri Sougata Roy Choudhury emphasizes on a need to sensitise both the employers and employees to joining EPFO. He stated that CII will introduce an award for recognizing the employers who will help in increasing the coverage in supply ecosystem.

Shri Harbhajan Singh suggested that the target of 10 Crore members can be achieved if all the employees, irrespective of their wages, of a covered establishments are allowed to contribute up to wage of Rs. 15,000. He also stated that the existing rules may also be enforced diligently. Shri Harbhajan Singh stated that most of the points are covered in the Chintan Shivir. He observed that the targets of 10 crores can be achieved if the provisions of the labour laws are implemented in true spirit. He stated that action needs to be taken in case of complaints of open violations of the labour laws by the establishments. He suggested conducting meetings of regional committees regularly. He observed that the Delhi State Government's establishment data shows higher number of coverable establishments in Delhi. He requested Chairman to provide the action taken for the universalisation of the security in every CBT. He observed that EPFO should undertake preparatory activities for the implementation of the social security code and necessary preparedness & HR increase needs to be thought of.

Shri K. E. Raghunathan observed that only 10% of the workforce is covered for social security benefits. He stated that employees should join EPFO voluntarily and not by force or compulsion. He suggested that social security may be made attractive to the informal unorganised sector if the services of EPFO and ESIC are provided as a package with lower rate of contributions from the employees, coupled with rules that are relaxed and

promote voluntary coverage and compliance. He observed Social Security Code addresses combining of the benefits provided by EPFO and ESIC to the formal sector. He also observed that COVID-19 advances have rescued many of the employees during pandemic and these types of efforts by EPFO for the benefits of the employees needs to be popularized so that the employees become aware of the necessities of social security and are inclined to join voluntarily.

Shri Govind Lele observed that for ease of doing business there should be uniformity of wages threshold across various labour laws. He stated that the actual employer should be made responsible for the contributions under EPF & MP Act. He suggested having discussions with the stakeholders to bring the agricultural sector workforce under social security umbrella. He suggested e-shram card tagging for temporary workers, replacing criminal provisions of EPF & MP Act with financial punitive provisions. He suggested provisions for social security should be expanded to self-employed persons and proprietary/partnership firms which nearly constitute 90% of our commercial establishments as per the economic survey. He suggested that EPFO should not only think of providing social security to the employee but should endeavor to become an organisation providing social security to all.

Shri R. N. Sharma, Labour Commissioner, Delhi suggested that the instructions / advisory should come from Ministry of Labour & Employment for the sharing of the data by various organisations so that there is no hitch among the departments. He suggested for the renewal of licenses, the details of registration and contributions by the establishments in EPFO may

be sought mandatorily. He also suggested that the online systems may be used for the inspections of the establishments.

Shri Anupam Malik stated that there is evasion in the Brick Kilns as most of the workers are not covered. He observed that a recent Hon'ble Supreme Court judgement has highlighted that the workers in building and construction workers are not being registered in their welfare boards. The Chairman stated that an internal committee in MoL&E is looking into the restructuring of BOCW.

Shri Govind Lele suggested that an Employee Enrollment Scheme, similar to the scheme provided in 2017, may be launched for enrolling employees who were eligible for PF membership but could not be enrolled. He stated that it will help in bringing more people under the social security benefits.

With the permission of the chair, videos on rest four following themes were presented.

- Ease of Compliance – Service Expansion
- EPFO Karmayogi – Capable Organization
- Satisfied Members – Seamless Services
- Preparing for future – Pensioners Our Priority

It was also highlighted that second theme “Ease of Compliance – Service Expansion”, envisaged a paradigm shift from physical to digital, enforcer to facilitator and opaque to transparent system of compliance. The five pillars were (i) harnessing technology, (ii) increasing public awareness and outreach, (iii) engaging alike government agencies, (iv) strengthening

and augmentation of legal framework and (v) strengthening of capacity building of EPFO.

With the above discussions, the Board commended the efforts of EPFO while thanking the leadership of Hon'ble Chairman for the Chintan Shivir and took note of the information placed before it.

Item No. 2: Confirmation of minutes of the 231st meeting of the Central Board (EPF) held on 29th & 30th July, 2022

Shri Harbhajan Singh stated that a note was handed over during the last CBT to JS (SS) on these matters but the reply of the note is still to be received.

Chairman, CBT directed CPFC to provide the status.

It was informed that discussions with the CBT member on the issues including the above said note was held by EPFO and CPFC had also explained to him the position. It was informed that two activities were prioritised for this month viz.; Transfers of 07 officials which is sub-judiced, and grant of MACP from due date to all eligible employees, which is awaited for opinion of DoPT.

It was also informed that an online Grievance Redressal System for HR issues of EPFO employees has been started wherein grievances received have been provided to the field office for their resolutions in a timely manner. The MoLE has been kind enough to seek the clarification from DoPT on whether the upgradation given on the same day will be treated as promotion or not for the purpose of MACP. Once the clarification

is received, the same will be implemented immediately. The action taken for the promotions of staff car drivers and DEOs was also apprised to the Board. The Anomaly Committee had recommended that the examination of DPA may be conducted and if found fit they may be promoted to programmer. It was informed that in order to build the capacity of the DPAs, a pre-training programme is being scheduled so that they are well equipped for the examinations.

Chairman desired to know the number of vacancies that are to be filled by EPFO by December. It was informed that around 400 regular vacancies are expected to be filled up by December. Shri Harbhajan Singh Sidhu appreciated the initiatives taken to address the grievances by CPFC. He informed that 02 employees, whose transfer was done, have given it in writing that the court case will be taken back. He stated that the 02 staff who were compulsorily retired are to be reviewed by the next higher authority and requested to expedite the same. He said that the benefits of Cadre Restructuring have not been provided as the Recruitment Rules (RR) have not been finalised. He also said that the references should not be sent to DoPT when CBT is the competent authority. He observed that cases are pending for granting MACP from back date. He also observed that the benefits to the employees are pending for the want of ACR and vigilance clearance. He said the EPFO field offices are not conducting the grievance redressal meetings with the staff. He exhorted compassionate appointment to the wards of the employees who lost their lives while performing their duties during COVID pandemic and relax the cut-off numbers for compassionate appointments. He also highlighted the issues of promotions in DEO cadres. He stated that the promotions to DEO are

being given from the current date even though vacancies were existing since long. Shri Harbhajan Singh Sidhu observed all Group B and Group C should not be transferred out of state.

It was informed that some of the cadres in Group B posts are All India Cadre where all India transfer liability is inherent. Chairman observed that the employee who has been recruited in an all-India Cadre is liable to be transferred outside the state. He however stated that the genuine concerns of the employees would be considered and the exercise would not be punitive in nature. He further stated that there will be no transfer in Group B and Group C in this calendar year.

Shri Harbhajan Singh Sidhu observed that the DPAs will not be able to compete in the open examination with the young people. Chairman observed that the capacity of an official for promotional posts is pre-requisite and stated that the CPFC has already informed that these officials will be imparted training so that their capacity is enhanced for performing the duties of programmers.

It was assured that the matter raised by Shri Govind Lele regarding relaxing the provisions for waiver of the damages under section 14 (B) will be discussed with him shortly.

With the above discussions, the Board confirmed the minutes of the 231st meeting of the Central Board (EPF) held on 29th & 30th July, 2022.

Item No. 3: Draft 69th Annual Report on functioning of the Employees' Provident Fund Organisation (EPFO) for the year 2021-22

The Chairperson was apprised that as per directions of the Secretary (L&E) in the 103rd Executive Committee, a webinar for all the CBT members was conducted to discuss the Annual Report for 2021-22 and Audited Annual Accounts for 2020-21. It was informed that CBT members have given constructive ideas during the webinar and assured that these would be taken up by EPFO while preparing the next year's Annual Report and Audited Annual Accounts.

Further, the Annual Report and Audited Annual Accounts will be placed before the parliament.

The Board approved the proposal and accorded approval of the Annual Report for the year 2021-22 and recommended for it being placed before the parliament through the Central Government.

Item No. 4: Audited Annual Account in respect of Employees' Provident Fund Scheme, 1952, Employees' Pension Scheme, 1995 and Employees' Deposit Linked Insurance Scheme, 1976 for the financial year 2020-21.

Shri Sanjay Bhatia observed that that the Audited Annual Accounts is for the year 2020-21 whereas the Annual Report is for the year 2021-22. It was informed through the chair to the Board members that comprehensive effort has been made to clear the backlog wherein 2019-20 accounts were placed in March before the Board and now within six months 2020-21 has been prepared. CPFC informed the Board that the annual accounts for the year 2021-22 have already been submitted to CAG and this is the third Annual Accounts to be prepared and presented this year.

It was informed the Board that the Executive Committee has considered the Audited Annual Accounts and has made three observations i.e. firstly to conduct pilot to test a strategy to reduce inoperative accounts, secondly, Drop in EPS income which is largely due to the members having wages beyond Rs. 15,000 at the time of their joining. These members contribute in EPF and EDLI but are not members of EPS, thirdly, on the low utilisation of the administrative funds. It was informed that low utilization is primarily due to the EPFO having nearly 40% vacancies in the sanctioned strength of staff and officers. The Board was informed that the recruitment process in EPFO has been started by having MoU with National Testing Agency and once the vacancies are filled the utilization of the administrative fund would go up.

Shri Sunkari Malleshram stated that the regularization of the contractual employees working in EPFO for long time may be considered.

Shri Sanjay Bhatia observed that the surplus has reduced from 2019-20 to 2020-21. He also observed that there are more than Rs. 1000 crores that is pending for reconciliation. He emphasised on the submission of actuarial report on EPS, leave encashment, clearing suspense accounts and un-cashed cheques. He also suggested SOP for recovery of irregular payments.

Shri Dilip Bhattacharya raised the concerns about the Interest due on Investments but not received and also the fact that in some instances even realization of principal was stuck, penal damages and interest amount not paid on belated payments by the employers and amount outstanding in respect of the defaulters.

Shri Dilip Bhattacharya stated at some places the losses are shown in securities. Shri Dilip Bhattacharya also said that position of investments in ETF should also be analysed to minimize the instances of losses, if any, in these investments.

The Board approved the proposal and accorded approval of Audited Annual Accounts for the year 2020-21 for being placed before the parliament through the Central Government.

Item No. 5: Status Note on litigations in Hon'ble Supreme Court on Higher Pension Cases.

It was informed to the Board that the arguments are over and the Hon'ble court has reserved the matter for final judgment. Further, the matter of impact on EPS if the notification of 2014 is withdrawn was presented before the PEIC.

Shri Michael Dias suggested having a contingency plan. Shri Harbhajan Singh Sidhu stated that there are two issues of pensioner. One is the pension on the higher wages and other is the increase in the minimum pension. While the first issue is under litigation, he requested that the Hon'ble Chair to consider the matter of increasing the minimum pension. Shri Dilip Bhattacharya stated that in 2019, EPFO had placed a recommendation to increase the pension to Rs 2,000 and later there was an assurance of minimum pension of Rs 3,000 by Government of India. He stated that the earlier Minister of Labour & Employer had assured to take up the matter with Finance Minister. He requested to increase the minimum pension as Rs. 1,000 is extremely low for sustenance. Shri Sunkari

Mallesham while supporting the enhancement in the minimum pension requested the Chair to consider the medical facilities to the 72 lakh EPF pensioners.

Shri Sukumar Damle stated that ideally the government should provide tax funded social security from the GDP. Chairman stated that there are many social security schemes where Government of India is contributing holistically without any contributions from the beneficiaries. Secretary (L&E) stated that during ISSA meet, where the different social security schemes of various governments was compared, it was understood that other than EPFO & ESIC, various social security benefits in India are provided as a right enshrined in the law and fully funded by the Government of India. These benefits under various schemes should also be counted for the percentage of workers provided with social security. Chairman informed that the budgetary support is being provided for ensuring the social security of its citizens.

With the above discussions, the Board took note of the information placed before it.

Item No. 6: Extension of Table-B, revision of Table-D and amendment in Para 39-B of EPS-1995

The agenda was introduced and the Board was informed that the maximum factors available for computing past service pension in Table-B is “Less than 34 years” and extension of the Table-B is required for settling the early pension cases being received in field offices.

CPFC also stated that the revision of table-D is required to make the Withdrawal benefits more equitable and to make the members with less than 06-month service eligible for some benefits. In addition, table-E is required to be amended to compute the transfer pension value in case of grant of exemption and on cancellation of exemption.

It was informed that as was directed by the Chairman CBT, the matter was shown to JS (F&A) and all her queries were responded satisfactorily. The matter was also discussed by the PEIC, which has recommended the proposal to CBT.

Shri Sukumar Damle desired to know the whether the comment of actuary has been taken. The board was apprised that the Actuary valuation has been taken into consideration and that was also placed before the PEIC.

JS (F&A) informed that the number of beneficiaries is very less. CPFC apprised the chair that there are 52 cases pending due to non-availability of relevant factors in Table-B.

After the above submissions, the following 03 proposals of the agenda were approved by the Board.

i) To recommend that Table B may be extended by incorporating factors for year "less than 35 years" to year "less than 42 years" based on the factors as received from the Actuary.

ii) To recommend amendment in the EPS 95 to revise existing Table D with proposed revised Table D for computation of withdrawal benefits under para 14 of Employees' Pension Scheme, 1995.

iii) To recommend to the Government that following proviso may be inserted in Para 39-B of EPS-95: "Provided that for calculating such transfer value payment, the proportion of pay payable on last contribution month shall be the weighted average of his wages/pay at the end of every wage ceiling period."

Item No. 7: List of ineligible cases for waiver of damages rejected by Central Provident Fund Commissioner

The 10 cases rejected by CPFC were placed for the information of the Board.

Chairman desired to know the status of the exemption surrender of the establishment as was raised by Shri Sukumar Damle. It was informed that the matter of the exemption/surrender of the said establishment was considered by the Board and the matter is pending with the State Government for the notification.

Shri Michael Dias stated the provisions of 14B waiver are being done mechanically and all the cases have been rejected on the grounds that no order of BIFR declaring the company as sick and sanction of rehabilitation scheme. He stated that the "mens rea" is an important component for establishing the default and is totally neglected while determining the defaults under Section 14B. Chairman stated that the BIFR is not in existence after Indian Bankruptcy Code (IBC) and therefore this provision in Section 14B is now redundant. He said that the labour component has been given the priority in settlement system provided under the IBC and the waterfall mechanism is followed for settlements. Shri Govind Lele stated waiver of damages is not considered under IBC in cases of settlement

other than liquidation. He also stated that the IBC also does not address the waiver of damages for MSMEs and proprietary firms. Shri Govind Lele stated that the same has been provided in writing. Chairman stated that a meeting may be called for to discuss the matter with Shri Michael Dias, Shri Govind Lele and other employer union representatives.

Shri Sukumar Damle requested that the waiver of the damages may be considered for an establishment referred by him as the same is engaged in the training of mentally retarded children and is funded by Ministry of Social Empowerment. Shri S.K. Sharma informed the Chair that there are judgments for reducing the damages on the merits of the case after the Supreme Court adjudication. He suggested the rationalisation of the penal damages. Shri Govind Lele observed that the Act provides for damages as per the lending rate of interest charged by banks. It was clarified that the section 7Q of the Act provides for the minimum of the 12% simple interest and read that the provisions of the 7Q as follows:

“7Q. The employer shall be liable to pay simple interest at the rate of twelve per cent per annum or at such higher rate as may be specified in the Scheme on any amount due from him under this Act from the date on which the amount has become so due till the date of its actual payment:

Provided that higher rate of interest specified in the Scheme shall not exceed the lending rate of interest charged by any scheduled bank.”

Shri S.K. Sharma suggested rationalizing the Interest and charge @ the rate of interest provided by EPFO to its members plus 01%.

Shri Anupam Malik highlighted that in the cases of NCLT, the present employer is ready to pay the EPF contribution but is reluctant to pay the

penal interest and damages accrued due to the default of past employer. Chairman stated that this interpretation is erroneous and the present employer is liable to pay all the social security dues. Shri Govind Lele reiterated that the waterfall mechanism as in the liquidation process should also be there in the settlement process under IBC.

Chairman suggested that the amendments required after the IBC, in the provisions relating to waiver of damages may be looked into in the Social Security Code. Shri Sunkari Malleshram highlighted that many recoveries are pending for the establishments which were taken over by the new managements.

After the above discussions, the Board took note of the information placed before it.

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

The Board took note of the information placed before it.

Item No. 9: Information Agenda Item – Downtime Period of EPFO Portals

It was informed that this agenda is placed for the information of the Board members as per the directions of the Secretary (L&E). It was also informed that to identify the slowness, diagnostic tools were deployed. It was informed that daily downtime is affected in a planned manner as a maintenance activity during off-business hours. It was further informed that there was only one unscheduled restart during the period which occurred on 10th October 2022.

Shri Govind Lele observed that allowing 20,000 concurrent connections on member portal during peak hours is very low and needs to be increased to cater to our huge membership. He also suggested analysing system occupancy and immediate augmentation of the IT infrastructure.

It was stated that the situation of slowness and unscheduled downtime will improve once the compute and storage are augmented. It was suggested that the augmentation of the storage may be viewed as the generic requirement and should be allowed as per the industry practice which early warning at present is 50% utilization. It was informed that the EPFO IT infrastructure is working on 96% used storage.

It was informed that IT Sub-Committee of Executive Committee, CBT has recommended a generic policy for storage infrastructure augmentation along with the delegation of financial powers. It was informed that the same will be placed in the next EC as it could not be considered in earlier EC due to paucity of time.

Shri Govind Lele also observed that it is very crucial to have Disaster Recovery Centre. He also observed that the purchase of ORACLE is a must as EPFO software are built on that architecture and any change in the database will require the change in entire IT infrastructure which is very time-consuming exercise.

JS (F&A) suggested that an analysis of the requirement may be made and percentage of storage utilization may be fixed after which the augmentation of storage may be done. It was informed that the same has been provisioned in the Policy.

The Chairman suggested that SBI view may be adopted in the policy. It was affirmed that the SBI personnel is also a member of the IT Sub-Committee and was present in the meeting.

The Chairman directed that IT needs to be fixed on priority thus the matters should be brought to the CBT today as an additional topic for decisions. The Board was informed on the agenda Items No. 16 and 17 placed before the 103rd EC.

- (i) Para 14 of Item No. 17 of 103rd EC proposed adoption of Storage Augmentation Policy in which the procurement will be through GeM as per storage policy. Delegations in the same agenda for procurement as per the Storage Augmentation Policy was also proposed to ACC (HQ), CPFC and EC.
- (ii) Agenda Item No. 16 of 103rd EC proposed procurement of 40 Oracle Database licenses. It was informed that the Oracle had offered institutional discounts which however not available in the GeM portal and therefore costs much more. The issue in the quality of maintenance of services between OEM and other service providers was also flagged. Thus method of procurement of these 40 Oracle Database licenses needs to be decided. The Board was apprised that last time Databases were procured directly and institutional discount was availed. Secretary (L&E) observed that Oracle database is a proprietary item and its purchase directly from Oracle may be allowed under GFR provisions. JS (F&A) also observed that owing to the proprietary item and having experience of poor

maintenance when bought through vendor (RailTel), EPFO may consider purchasing it directly from OEM.

The Board took note of the agenda items No. 16 and 17 placed before the 103rd EC meeting and accorded its approval to the same.

The Chairman directed that priority may be provided to GeM, if however certain exemption is required the same may be taken.

Item No. 10: Approval of the Information Security Policy of Employees' Provident Fund Organisation

The Board was informed that the 104th Executive Committee has considered the Information Security Policy and has observed that the policy should be Cyber security and Infrastructure Security Agency (CISA) compliant also. Chairman, CBT directed that a roadmap of next one year may be prepared, implemented weekly and quarterly action taken on the Policy may be placed in every CBT meeting in the action taken statement.

JS (F&A) suggested EPFO to have a dedicated team for the IT security. Chairman directed to have a dedicated cell and stated that it must be ensured that the personnel close their systems after the working hours to avoid hacking and other malpractices.

Shri Sunkari Malleshram suggested Biometric login. Shri Govind Lele observed that the provision for timeout is part of the Information Security Policy. Secretary (L&E) observed that preventative measures are required and Cyber Security Audit needs to be carried out periodically.

JS (F&A) observed that CERT-In carries out the audit and informed that they have issued instructions for the employees to see a tutorial,

prepared by them on cyber security. Chairman, CBT was informed that a training of all the officials of EPFO has been conducted wherein they have been informed about the security threats and means to prevent them. Also, EPFO networks are being secured to prevent the unethical access.

With the above discussions the Information Security Policy placed before the Board was approved.

Item No. 11: Proposal for Surrender/Cancellation of Exemption under Section 17 (4) of Employees' Provident Fund & Miscellaneous Provisions Act, 1952 and application for withdrawal of grant of exemption is placed before the CBT, EPF in its 232nd meeting

It was informed that the 50th Exempted Establishment Committee has recommended the 05 proposals for Surrender/Cancellation. She informed that the Board that the EEC has seen and guided to prepare the SOPs for expediting the process of grant or surrender/cancellation of exemptions. She informed that the manpower from the field offices will be engaged in processing future proposals. Further, appropriate delegations to Zonal Offices would also be explored.

Shri Michael Dias informed that due to the late processing of these exemption surrender/cancellation cases at EPFO, a huge amount of Damages u/s 14B has been levied despite of no fault of the employer/establishment. He requested that Chairman to intervene in the matter.

Chairman CBT directed that the Lok Adalat/Ombudsman may be explored to dispose off grievances.

The Board considered and recommended the proposals for the approval of the Appropriate Government.

Item No. 12: Proposal for Surrender/Cancellation of Exemption under Section 17 (4) of Employees' Provident Fund & Miscellaneous Provisions Act, 1952 - 06 Establishments

It was informed that the Exempted Establishment Committee has recommended another the 06 proposals for Surrender/Cancellation. Shri Michael Dias requested for the booklet on the Exemption. It was informed that SOP are under preparation and the same will be placed in the next CBT.

JS (F&A) suggested an online system for dealing with such proposals to bring in efficiency in the process. It was informed that it has been under consideration and is on hold due to the pre occupancy of the IT manpower. It was informed that it's a new additionality that may require additional team through a RFP.

The Board considered and recommended the proposals for the approval of the Appropriate Government.

Item No. 13: Ratification regarding Action Taken on proposals of surrender/cancellation of exemption as approved by 231st CBT Meeting held on 29.07.2022 and 30.07.2022

It was informed that 03 exemption surrender proposals were placed before the 231st CBT meeting and the proposals have been forwarded to appropriate governments.

The State Government representatives were requested to expedite the proposals of the grant, surrender or cancellation of the exemptions proposals sent to their State Government.

The Board noted/ratified action taken on the proposal.

Item No. 14: Informative Agenda regarding Surrender/ Cancellation / Grant of Exemption Cases

It was informed that as directed in the 231st CBT, the informative agenda on total of 85 cases for surrender, 91 cases for cancellation and 45 cases for grant of exemption that were pending with EPFO, some of them have been finalised. The Board was assured that action will be taken to expedite the long pending proposals at EPFO.

The Board took note of the information placed before it.

Item No. 15: Minutes of meetings of the Committees of the Board

It was informed that the minute of the meetings of various committees of the CBT is placed for the information of the Board.

JS (F&A) stated that as recommended by her during FIAC, EPFO should exit the IFCI securities which are being continuously downgraded and if exit is not possible, keep a closed watch on these securities as there are high chances of these securities going into losses. It was informed that these securities are Central Government funded and an agenda item will be put up again before FIAC wherein representative from the Ministry of Finance will also be requested to attend the meeting to provide the inputs on the matter. Shri K. E. Raghunathan stated that exit policy on investment,

clearly states to exit the investment in securities if they are downgraded. The same was also decided in the FIAC.

Members observed that the minutes of the Executive Committee meetings should also be placed before the CBT. It was assured that the same will be placed from the next meetings.

Item No. 16: Action Taken Statement in respect of decisions taken in the CBT meetings held up to 29th and 30th July, 2022 (231st CBT Meeting)

It was stated that action taken on the decisions taken in the previous CBT meetings are placed for the information of the Board and requested to take note of the same.

Shri Sunkari Malleshram observed that in the pension note provided along with the action statement state which shows a huge number of members who are contributing very less in EPS and stated with such a low contribution it will be very difficult to manage the EPS fund. He requested that an in-depth analysis may be conducted to understand why such a less amount of contribution is being received for these members.

Shri Govind Lele observed that the contributions are being received on the wages much lower than the prescribed minimum wages. Shri Sunkari Malleshram again reiterated that the definition of the wages as provided in judgement of Vivekananda Vidyamandir and Others should be followed by the employers in spirit. He informed that the judgment states that the 50% of the gross wages should not be less than the basic wages.

He also suggested standardising the definition of the basic wages across all the labour laws.

Shri Michael Dias suggested strengthening the HR Sub-Committee through more representatives.

Shri Sukumar Damle observed that in the note on pension, it has been specified that the receipt have always been more than the expenditure in the EPS Fund still the actuary projects loss in the Pension Fund. It was informed that a webinar will be held with all the members after the ongoing actuarial evaluation is complete to highlight the parameters taken into account by the actuary. Shri Dilip Bhattacharya also expressed concern on maintainability of the deficit shown in the EPS Fund. Chairman remarked that it is not the cash flow deficit for the present year but are the long term projected deficits impacting the sustainability of the EPS.

With these observations the Board took note of the Action Taken report.

Item No. 17:Extension of Tenure of ETF manufacturers, Portfolio Managers and Appointment of ECA

The Board ratified the proposal as contained in the agenda.

Item No. 18:Diversification of investments in State Government Guaranteed Securities & in units of PSU sponsored INVITs and REITs

The Board was informed that the investments in State Government Guaranteed Securities & in units of PSU sponsored INVITs and REITs are as per the Pattern of Investment of Ministry of Finance and Ministry of

Labour & Employment. It was further informed that the RBI papers on status of State Governments in these categories will be seen for deeper introspections to see the viability of State Government PSUs.

Chairman directed that the RBI guidelines on the investments needs to be followed scrupulously, particularly, counter guarantees to the states for assessing their capacity to pay in the long run.

The Board took note of the information.

Item No. 19:Reconstitution of Executive Committee – Election of the representatives of employers and employees to the Executive Committee of the Central Board of Trustees

It was informed the Board that as per the provisions of Act, the Executive Committee needs to be reconstituted by the Board as the term of the present Executive Committee term has expired.

The Board unanimously authorised the Chairman to constitute the Executive Committee.

Item No. 20:Reconstitution of other Sub-Committees of Central Board of Trustees, Employees’ Provident Fund

It was informed that as the Executive Committee is to be reconstituted, for the equitable representation of the Board members it is prudent to reconstitute the other sub-committees of the CBT and EC.

It was informed that the provisions for calling the domain/subject matter experts as special invitee in the various sub-committees will be made.

The Board unanimously authorised the Chairman to re-constitute the sub-committees of the CBT and EC.

Item No. 21: Broad Contours of ETF Redemption Policy

The Board was informed that in the ETF Redemption Policy is placed for the adoption by the Board. The policy proposes to:

- (i) Average out the spikes and downs of the market and proposes to sell the ETF on daily basis for better returns rather than selling them at one go which is prone to speculations and other evils of trade market.
- (ii) to offload the ETF which are less than 04 years for optimum results. She also informed that the policy states that the EPFO should strive to make it 05 years for better control on the market.
- (iii) Formulate a return threshold for selling the ETFs.

Chairman observed that the policy attempts that transparency is brought in the system and processes. Chairman also stated that the investment in equities as per Pattern of Investment in needed to provide better rate of interest to the members of EPFO and the policy would enable the organization to regulate this aspect in a transparent manner.

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

Item No. 22:Capital gains from equity ETF to be included in Calculation of Rate of interest (FY 2022-23)

The Board was informed that in the agenda it is proposed to liquidate the ETF for the period 01.01.2018 to 31.12.2018 to realise income for paying the interest to the members. CPFC informed that the principle of first in first out would be adopted while redeeming ETF units. Chairman directed to ensure that the Government of India guidelines on the matter may be followed. He directed CPFC to cross check Item 18 para 4 and discuss with him.

Shri Harbhajan Singh desired to know whether the investments in ETF are guaranteed. CPFC informed that the investments are guaranteed by the Central Government in cases of Central PSUs and by State Government in cases of State PSUs. Chairman stated that for the investment in State Governments RBI guidelines are to be observed so that the investments are secured and not defaulted.

Shri Sanjay Bhatia appreciated the efforts to provide safety nets on the investments. He requested for the actions on the continuously downgraded securities. He also stated that returns of current year for the Income Tax have already been filed without the details of the Income Tax deducted on Employees' Provident Fund interest earning as per the revised IT rules by Government of India. He requested for expediting the credits of the Interest and provides the TDS details to the members. CPFC informed the Board that the software provision has already been deployed and the interest are being credited to the members account and its details are being provided in the members' EPF passbook.

With the above discussions the Board took note of the agenda.

9. It was informed that the booklets on the EPFO's State Profile-2022 and National Labour Conference held at Tirupati have been provided to the Board members for their ready references.

10. The 232nd Meeting of Central Board of Trustees was concluded with a vote of thanks to the Chairman.

ANNEXURE A**List of members who attended the 232nd meeting of Central Board (EPF)**

1.	Shri Rameswar Teli, Minister of State for Labour & Employment	Vice-Chairman
2.	Ms. Arti Ahuja, Secretary, Ministry of Labour & Employment	Co-Vice-Chairman
3.	Ms. G. Madhumita Das, Joint Secretary & Financial Advisor, Ministry of Labour & Employment	Central Government's Representatives
4.	Shri Rajesh Panwar, Joint Director, Dept. of Economic Affairs, Ministry of Finance (representing Joint Secretary (Investment), Dept. of Economic Affairs, Ministry of Finance)	
5.	Shri Vinod P. Kavle, Secretary (Labour), Government of Chandigarh Administration	
6.	Shri R. N. Sharma, Labour Commissioner, Government of NCT of Delhi	
7.	Shri Sachin Sinha, Principal Secretary (Labour), Government of Madhya Pradesh	State Governments' Representatives
8.	Shri Md. Nasimuddin, Addl. Chief Secretary (Labour), Government of Tamil Nadu	
9.	Dr. E. Gangadhar, Addl. Labour Commissioner, Government of Telangana	
10.	Shri Prem Prakash Singh, Special Secretary (Labour), Government of Uttar Pradesh	
11.	Shri Barun Kumar Ray, Principal Secretary (Labour), Government of West Bengal	
12.	Shri Michael Dias	Employers' Representatives
13.	Shri Sougata Roy Choudhury	
14.	Shri Ashish Wig	
15.	Shri K. E. Raghunathan	
16.	Shri S. K. Sharma	
17.	Shri Govind Lele	

18.	Shri Anupam Malik	Employees' Representatives
19.	Shri Sanjay Bhatia	
20.	Shri Sunkari Mallesham	
21.	Shri Sukumar Damle	
22.	Shri Harbhajan Singh Sidhu	
23.	Shri Dilip Bhattacharya	
24.	Ms. Neelam Shami Rao, Central PF Commissioner	Member Secretary

Following members could not attend the meeting:-

1.	Additional Secretary, Ministry of Labour and Employment	Central Government's Representatives
2.	Joint Secretary (In-charge of EPFO), Ministry of Labour and Employment	
3.	Joint Secretary and Director General Labour Welfare, Ministry of Labour and Employment	
4.	Secretary to the Government of Andhra Pradesh, Labour Department, Hyderabad.	State Governments' Representatives
5.	Secretary to the Government of Gujarat, Labour and Employment Department, Gandhinagar.	
6.	Secretary to the Government of Haryana, Labour Department, Chandigarh	
7.	Secretary to the Government of Karnataka, Department of Labour, Bangalore	
8.	Secretary to the Government of Kerala, Labour Department, Thiruvananthapuram	
9.	Secretary to the Government of Maharashtra, Department of Labour, Mumbai	
10.	Secretary to the Government of Punjab, Department of Labour, Chandigarh	
11.	Secretary to the Government of Rajasthan, Department of Labour, Jaipur	
12.	Shri Arun Chawla	Employers'

13.	Shri Atul Sobti	Representatives
14.	Shri Hiranmay J. Pandya	Employees' Representatives
15.	Shri Prabhakar J. Banasure	
16.	Shri A.K. Padmanabhan	