



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(1)2023/233rdCBT(EPF) /1273

Date: 30.05.2023

To

30 MAY 2023

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

Subject: Draft minutes of 233rd meeting of Central Board of Trustees (CBT), EPF held on 27.03.2023 and 28.03.2023 - reg.

Madam/Sir,

I am directed to forward herewith the draft minutes of 233rd meeting of Central Board of Trustees (CBT), EPF held on 27.03.2023 and 28.03.2023, 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,

(Ashwini Kumar Gupta)
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. PPS 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. Guard File.

(Ashwini Kumar Gupta)
Regional PF Commissioner-I (Conference)

**Draft Minutes of the 233rd Meeting of Central Board of Trustees,
EPF held on 27th - 28th March, 2023 at New Delhi.**

The Central Provident Fund Commissioner (CPFC) welcomed the Chairman, the Vice-Chairman, the Co-Vice chairperson and all other members of the Board to the meeting. It was informed that in each financial year, the last meeting of the Board conventionally considers and discusses some important matters.

2. Outlining the sequence in which the agenda for the meeting was proposed to be taken up, the CPFC stated that as per directions of Co-Vice-Chair in the last meeting firstly, the significant activities of EPFO since the last meeting will be presented; secondly, agenda that were circulated will be deliberated and finally, some important and sensitive agenda items will be tabled for consideration and directions of the Board.

3. The CPFC took permission of the Chair to start the proceedings of the meeting:

INFORMATIVE AGENDA / PRESENTATION (YELLOW AGENDA BOOK)

Item A: Informative Agenda – Nidhi Aapke Nikat 2.0 (NaN 2.0)

Introducing the agenda on presentation on Nidhi Aapke Nikat 2.0(NaN) was made by Shri R.K. Singh, ACC (HQ)(C&PR) and Ms. Sahira K. Sangma, ACC (C&PR). NaN 2.0a new initiative intended as a massive outreach programme, co-ordinated to be held on 27th of every month simultaneously in every district of the country. It was inaugurated by the Secretary (L&E) on 27.01.2023, since then two editions of the programme have been conducted and today being the 27th of March the Board may also participate in today's NAN. The CPFC also acknowledged the active participation and support given by many members of the board in the NaN 2.0 programmes.

In these programmes, EPFO reaches out and meets its stakeholders, viz. the employers, members and pensioners. The board was also

informed that EPFO had put in place mechanisms to address the issues and problems that were raised in these programmes and a vast majority of the issues were addressed in the camps itself while the remaining were recorded and resolved in due course.

Thereafter, a short presentation / video was made before the board that was followed with brief interactions with some live locations out of 10 districts that were available online during the CBT meeting. Live interactions were held by the Chariman and the Board members with the NaN 2.0 centres in the districts of Guwahati, Vadodara, The NaN centre at Vadodara was completely operated by EPFO female staff in view of the International Women's Day being held in the month.

CBT members commended the efforts being taken under the NAN 2.0 initiative and took note of the agenda item.

Item B: Information on Achievements of EPFO in FY 2022-2023

A short film on the subject was exhibited followed by a presentation on achievements of EPFO in FY 2022-23 by Shri R.K. Singh, ACC (HQ)(Coordination) and Shri Ashwini Kumar Gupta, RPF-C-I (Coordination). It brought out EPFO's efforts on 'Ease of living' and 'Ease of doing business' and quality of services for the members and EPS pensioners. The significant developments and achievements of EPFO during 2022-23 that were highlighted were as follows:

- (i) Introduction of online calculators for pension and EDLI benefits
- (ii) Introduction of face authentication technology in Jeevan Pramaan for EPS pensioners
- (iii) Creation and adoption of the Legal Framework Document for handling legal matters by the EPFO offices
- (iv) A 'Chintan Shivir' was held at Surajkund, Haryana to discuss the strategies for EPFO@2047 ('Amritkal') that was inaugurated and chaired by the Hon'ble Chairman, CBT
- (v) Introduction of the employer and employee handbooks in 23 Indian languages
- (vi) Launch of "E-Office" in all offices of EPFO on 25th December 2022 on the occasion of Good Governance Day

- (vii) Under the 'Swachhata Abhiyan' review of more than 5 lakh files and weeding out more than 95 thousand files. In the process freeing up more than 45 thousand sq. ft. area
- (viii) Approval of guidelines by EC for the Rationalization of offices based on which District Office, Alwar was upgraded to a Regional Office. Other 20 offices will be made operational soon.
- (ix) Approval by EC for undertaking claims processing in the Special State Offices (SSO) of NER that would bring EPFO services closer to the members.
- (x) EPFO had given provisional appointment letters to 392 EO/AO level officers in Rozgar Melas held at various locations across the country. Further, recruitment process had been initiated for 2674 SSAs, 185 Stenographic cadre. The UPSC had also notified recruitment for 156 APFC and 419 EO/AO level officers.
- (xi) Under 'Mission Karmayogi', the training wing had undertaken more than 50 thousand man-days of training. A comprehensive training policy document for the organization was also released by the Hon'ble Chairman, CBT. The training wing was also conducting research in conjunction with the ISSA.
- (xii) The organization had shown significant progress under various performance parameters, viz.:
 - a. EPFO had processed more than 4 crore claims during 2022-23 with claim payments of more than Rs. 1.5 lakh crore
 - b. EPFO was one of the top organizations in the country, as per DARPG in the Grievance redressal and the average time of grievance redressal was reduced from 13 days to 7 days
 - c. There had been growth of 35% in net subscriber strength with female participation increasing at 26%
 - d. There had been a growth of 27% in PF contributions and 12% growth in pension fund contributions. There had also been a growth of 4% in contributing establishments
 - e. The overall number of grievances had reduced by 16% during this period

Shri Hiranmay Pandya pointed out that several initiatives have been taken in the organization in the sphere of sports and suggested that achievements in sports should be included in the organizational achievements henceforth. Shri Sukumar Damle pointed out that while EPFO has been continually increasing its online features, references in physical format are also important. He also pointed out an incidence, in the recent past in Pune, where 17 women workers died in an industrial accident and the matter is under investigation by various agencies including EPFO. He desired that EDLI benefits should be paid to family members expeditiously in such cases.

The Board took note of the agenda placed before it.

Item C: Supreme Court Judgement on Employees' Pension Scheme, 1995 on higher wages.

The Board was apprised of the developments consequent to the decision of the Supreme Court dated 04.11.2022 on the pension on higher wages under the EPS through a presentation that was made by ACC (HQ) (Pension), Shri K.L Taneja and RPFC-I (Pension), Smt. Aprajita Jaggi

The background of the matter leading to the present adjudication of the Supreme Court was explained. The salient features of the amendments made in 2014 were brought out; the calculation of pensionable salary to average of wages in last 60 months from 12 months; the existing members who were contributing on higher wages earlier under Para 11(3) of the EPS-95 were required to file another option and were also required to pay 1.16% additional on the wages exceeding the wage ceiling; and the membership to EPS was limited upto the ceiling.

The amendments were challenged in the Kerala High Court and the 2014 amendments were stuck down by the Kerala High Court in its judgement of 2018. It also set aside EPFO orders declining permissions to contribute on higher wages to EPS and further allowed exercise of option under Paragraph 11(3) of the EPS Scheme for contribution on higher wages without insistence on a cut-off date.

The Kerala High Court judgement was challenged in the Supreme Court, both by the Government of India and the EPFO, on the grounds that the impact of the judgement would be financially adverse for the Pension Fund and the fact that amendments to the EPS were within the competence of the executive and legislative domain. Financial projections were also presented before the Supreme Court. The example of 21,000 cases (approx.) wherein a overall contribution of Rs.461.19 crores had to be returned by the pensioners whereas on revision arrear pension of Rs.718.11 crores had to be given out to them. The monthly pay out of revised pension was Rs.14.78 crores against Rs.4.03 crores presently.

After arguments, the Supreme Court delivered its judgement on 04.11.2022 and held that (a) the amendments of 2014 were legally valid; (b) that the exempted and unexempted establishments stood on a similar footing; (c) members who had opted under Para 11(3) prior to their retirement would be governed by that provision strictly; (d) members as on 01.09.2014 were given extended time for preferring option under Para 11(3) and 11(4); (e) members who had retired before 01.09.2014 without making an option under Para 11(3) were not eligible to give an option now; (f) the demand for 1.16% additional contribution from those contributing on higher wages was held to be ultra-vires but the Supreme Court allowed 6 months' time to bring about legislative amendment to rectify the same.

The Supreme Court had given certain specific directions at paragraph 44 of its judgement. It upheld the judgement in the R.C. Gupta case and ordered its implementation by 31.12.2022. These directions have been carried out by EPFO through administrative circular issued on 29.12.2022 whereby options have been called for validation of joint options. Through another circular, joint options from employees in service as on 01.09.2014 was facilitated through online option filing giving them a special window upto 03.05.2023 for filing the options.

After the conclusion of the presentations, Shri Harbhajan Singh Sidhu raised the point that there were a large number of vacancies in EPFO in different cadres that needed to be filled. While he thanked the Chairman, CBT for constituting the HR sub-committee for addressing grievances, he stated that after the last cadre re-structuring the benefits of promotion

were delayed as Vigilance clearance were not given in time or in many cases the framing of the Recruitment Rules were delayed. He further asked that model RRs of DoPT be followed, if the RR were not finalized. He also stated that the benefits of promotion and MACP were being given from prospective dates and not from the dates where the vacancies fell due.

It was clarified that the points raised by Shri Sidhu have been discussed with him and the promotions were being given based on the panel years in which the vacancies arose as per rule. The seniority, etc. were regulated accordingly. As regards the vigilance clearances, it was stated that indeed there was a backlog that had arisen but efforts had been taken on a war footing and a backlog of approximately 800 vigilance clearances was cleared. Further for the future, a new software for vigilance clearance had been operationalised.

Shri Harbhajan Singh Sidhu further requested that agenda items be sent 15 days in advance to the meeting.

He further said that investments in equity are a risky affair and EPFO should not invest in equities.

Shri Michael Dias requested that an FAQ be prepared on the higher pension issue. Chairman informed that most clarifications were already issued on the said issue. He further informed that deliberations on legislative changes were ongoing and any updates will duly be informed to CBT members.

Shri Prabhakar Banasure requested that a clarification on the issue of option under Para 26(6) be issued as most pensioners were facing the issue in filing the same. He further inquired about the financial impact of Higher pension. He further sought the latest details on the fraud which happened in the Kandivali Regional office.

Shri Ashish Wig requested that more media coverage be given to NAN 2.0.

Shri Dilip Bhattacharya raised the issue of increase of minimum pension to Rs 3000 per month. He requested that wage ceiling be enhanced from the current Rs 15000. He further raised the issue of non-coverage of contractual employees and ASHA workers.

PINK AGENDA BOOK

Item No. 1: Confirmation of minutes of the 232nd meeting of the Central Board (EPF) held on 31st October, 2022.

Shri Sukumar Damle referred to, Para 2 of Item No. 1 at page 17 of the agenda i.e. the Minutes of 232nd meeting of CBT placed before the Board for confirmation, and stated that it has been mentioned that ‘Hon’ble Chairman, CBT further stated there will be no transfer in Group B and Group C in this calendar year. Shri Damle stated that, it was decided that no transfer of Group B will be made out of state and the words “..in this calendar year” seems to be giving a misleading impression. He also stated that the Group ‘C’ transfer policy had not been discussed. He requested Hon’ble Chairman that the above sentence may be corrected in the minutes as simply ‘..no out of state transfers of Group B will be made’ and the words ‘in this calendar year’ may be deleted.

Shri Harbhajan Singh Sidhu also agreed with the views of Shri Sukumar Damle. He also added that too much expenditure is being made on litigations and hence suggested to convene tripartite meetings to resolve the HR related issues.

The Hon’ble Chairman reiterated that that there will be no inter-state transfer for Group ‘B’

The Board confirmed the minutes of the 232nd meeting of Central Board of Trustees (EPF) held on 31st October, 2022.

Item No. 2: Minutes of meetings of the Committees of the Board.

It was advised by the members of the Board that in subsequent meetings the informative and approval agenda items be placed separately.

Shri A.K. Padmanabhan stated that long intervals between meetings of Sub-committees is not desirable and suggested that these sub-committees should meet more frequently.

Shri Sunkari Malleshram supported the remarks of Shri A.K. Padmanabhan and stated that the HR sub-committee should meet regularly to resolve employee grievances so that litigations can be

minimised. Issues raised in CBT should also be discussed in the HR sub-Committee. He also stated that there are many stay orders on the Transfer Policy of Group B and hence requested Chairman to look into it.

Hon'ble Chairman, CBT directed that the HR sub-committee may meet once every two months.

Shri Mallesham also submitted to the Hon'ble Chairman that the Pension is an important issue. The demands to raise the minimum pension needs to given urgent attention. Also, the issue of facility of medical cover to pensioners has been raised many times and should be seriously taken up. He also suggested that the wage ceiling needs to be revised periodically.

Shri Michael Dias suggested the Supreme Court judgement of 04-11-2022 should have been discussed in the Pension & EDLI Implementation Committee. The Hon'ble Chairman, CBT stated that administrative actions flowing out of the Supreme Court judgement are being taken care of by the EPFO and the Ministry of Labour & Employment.

Shri Michael Dias also submitted that the sub-committee on Exempted Establishments' needs to expedite the proposals for grant and cancellation of exemptions that are pending. He also suggested that the HR Sub-Committee may be strengthened by adding more members.

Shri K.E.Raghunathan stated that he has been observing the progress of the organization and would like to list out five achievements that are significant according to him:

- (i) He felt that tremendous work has been done on pension issues and care has been taken by way of extension of date for filing options.
- (ii) Interest updation of member accounts involving changes in software to handle the TDS issue was extremely noteworthy and it is understood from the field offices that almost 99% work has been done upto last year.
- (iii) NAN 2.0 is a very good initiative of EPFO and the release of employer and employee guides in 23 languages was highly worth appreciation.

- (iv) The efforts taken by the training wing in respect of the young talents inducted in EPFO was commendable and now the challenge is to retain them and to give further trainings.
- (v) He had visited 08 offices of EPFO and interacted with EPFO teams and members and received a very good response especially on the aspect of grievance redressal.

Shri Raghunathan also mentioned the following points where there was scope for improvements:

- (i) He desired that more clarity on pension issues should be issued down the line to all stakeholders.
- (ii) There are recurrent problems in the application software and all concerned continue to live with it. There is a need for enhancement in software capacities and to keep it on priority at all times.
- (iii) More information for and interactions with CBT members through circulars and meetings.
- (iv) Only agenda items should be discussed in the CBT meeting considering the paucity of time and administrative matters need to be discussed separately.
- (v) The frequency of meetings of sub-committees to be increased.

Shri Harbhajan Singh Sidhu and Shri Sunkari Malleshram suggested that the employees having spouse grounds and handicapped children should be retained at their stations.

Hon'ble Chairman informed that the EPFO has a policy for transfers and there is also a grievance committee for making representations against such transfers. The aggrieved officials may use the established system for such issues.

Shri Harbhajan Singh Sidhu pointed out to the Board that Delhi has lakhs of factories, as per the data of Delhi Government, that need to be covered. He stated that inspections of such establishments are not carried out either by the State Government or EPFO to ensure that applicable labour laws are enforced in such establishments. It is only

when accidents happen that we get to know about the existence of such establishments. He stated that earlier also he had raised the issue of fire accidents in Mundka and Anaj Mandi where several workers had lost their lives. In these cases no conclusive report had been submitted by any agency or by EPFO and due compensation and benefit have not been provided to the families of the deceased in these cases. He suggested that the Ministry of Labour & Employment should issue directions to Delhi Government to facilitate data sharing and advise Delhi Government to help cover all uncovered establishments and un-enrolled employees.

The Hon'ble Chairman asked the State Government representative from Delhi to apprise the Board of the facts. Shri R.N. Sharma, Special Commissioner (Labour), Govt. Of Delhi informed the Board that the figures of 10 lakh establishments being referred to by Shri Sidhu are figures reported under self-certification basis under the Shops & Establishments' Act and these figures are unverified. He further informed that suo-motu inspections are not allowed under the ease of doing business initiative but the Delhi Government is trying to create a data sharing mechanism and also to clean the database. The Delhi Government was also considering a single window services platform with a centralized inspection system. In respect of the fire incidents at Mundka and Anaj Mandi, he informed that based on the reports of Police authorities compensation has been released in respect of the victims. Shri Harbhajan Singh Sidhu stated that as per his information compensation had not been paid in these cases and against Delhi Government orders employers have gone to court and court has quashed the Delhi Government orders. Shri Sukumar Damle stated that EDLI compensation should also be made in such cases.

Hon'ble Chairman stated that, if required a reference can be made to LG Delhi from his office to facilitate meetings with unions, employers and Delhi Government.

Shri S.K. Sharma shared his concerns regarding the withdrawal of Prosecutions filed for KYC-Aadhaar linking filed against employers. He stated that an in-principle decision was taken to withdraw all Prosecution cases filed prior to 3rd May 2021 (Notification of Section 142 of the SS Code) but very few prosecutions were withdrawn because of the

requirement of an affidavit establishments to comply with KYC requirements pending. He stated that the KYC is with employees and the prosecution is against employers and requested to look into these matters.

Shri Sharma further stated that a good ABRY scheme was introduced but due to some irregularities many PF Accounts have been frozen due to which the members are not able to access their accounts. While instructions for de-freezing have been issued it is not happening at the ground level. He requested to review the situation and ensure that members can access their accounts.

Shri Prabhakar J. Banasure submitted the need to resolve the staff grievances for which HR sub-Committees may meet more often.

Shri Sunkari Mallesham invited attention of the Board to issues faced in the Beedi Industry. He stated that in the Bidi industry large number of female workers were employed and they are facing difficulties in pre and post marriage name changes. It is difficult for them to meet documentary requirements. He suggested that a special drive may be undertaken to complete their KYC.

He also stated that the Bidi industry has seasonal workers and hence due to their Non-Contributory Period (NCP days) there is problem in eligibility of pension which is to be resolved. The industry may be declared seasonal and accordingly due benefits be allowed.

Shri Hiranmay J. Pandya informed that many meeting of Exempted Establishments' Committee were held to clear the backlog of applications and the committee has reviewed and reduced many pending cases for grant and cancellation of exemption. He suggested that State Governments' support is required in many of these cases for final closure. He also suggested that while the IT Sub-committee had recommended increase in the IT expenditure outlay but there is need to substantially increase the Budget/expenditure in IT

Shri Sanjay Bhatia suggested that the HR sub-Committee may be expanded to include more CBT representations.

With these observations the Board took note of the minutes of the sub-committees of CBT, EPF.

Item No. 3: Five Year perspective plan for enhancement of physical infrastructure of EPFO.

The CPFC introduced the agenda item and informed the Board that during Chintan Shivir, Hon'ble Chairman, CBT, EPF had also desired that in the next 5 years all offices of EPFO should plan to have its own building. To address the issue of adequacy of space for increased efficiency, the perspective plan is placed before the Board wherein the following have been proposed:

1. Independent buildings with training facility for all ZOs
2. Independent building for all ROs
3. Independent buildings for District Offices.
4. Independent building for Special State Offices in NER.
5. Expanding existing buildings and refurbishment
6. Expedite pending construction works – bigger offices first then smaller offices.
7. Purchase of land for buildings
8. Standardisation of norms for office buildings
9. Filling up vacant posts of engineers.

CPFC informed that budgeting of Rs 2250 crore is required for the perspective plan. This does not include about Rs 750 crore for ongoing projects.

Shri Hiranmay J Pandya opined that EPFO should own buildings as against 'independent' buildings and ensure that all ZOs/ROs should have independent buildings. He suggested to approach the State Governments and give financial and administrative approval on priority. Also, five year perspective plan may be reviewed periodically.

Shri Harbhajan Singh Sidhu stated that in some places the conditions of staff quarters are bad and no repair works are being carried out hence suggested to prioritise such works as per their ground conditions.

Shri A.K. Padmanabhan emphasised that priority should be fixed immediately. He mentioned the case of Regional Office, Tambaram (Chennai) which is operating out of a hired premises and has very cramped and shabby conditions. He stated that such cases should be prioritized and land may be procured urgently and to begin constructions.

Shri Sanjay Bhatia stated that the growth of EPFO over the next 15 years or so should be taken into account while assessing requirements and norms. He also suggested to make better use of technology to minimise space requirements in future. He opined to balance the need for funds with the availability of the same with EPFO.

Shri Prabhakar J. Banasure suggested to increase space norms for Offices so that good offices can be constructed, particularly the norms of District Offices need to be reviewed. He mentioned that building of Regional Office, Vapi need to be prioritized. He thanked Hon'ble Chairman for sanction of ESIC hospital in Jalgaon.

Shri K.E. Raghunathan pointed out that in the Budget Estimates funds have been provided under "Capital Expenditure" for the purpose. However, land acquisition is an issue, for which funding has to be provided once acquisition proposals are approved.

Shri Sunkari Malleshham suggested that adequate staff quarters should be provided especially in big cities. He also suggested that in places like Amritsar and Tirupati Holiday Homes may be constructed for which provisions may be made in the five-year plan.

Hon'ble Chairman informed the Board that Secretary(L&E) has initiated an exercise and mapped 1400 offices of MoLE across India. An integrated approach is being followed to make full utilisation. Better utilisation of public infrastructure is a mandate of the Hon'ble Prime Minister. Hon'ble Chairman also advised that we need to estimate future requirements by 1.5 times to its present requirements and make provisions accordingly. He also said that an informative agenda item will be placed before the Board on progress of infra facilities.

The Board took note and approved the proposal as contained in the agenda.

Item No. 4:List of ineligible cases for waiver of damages rejected by Central Provident Fund Commissioner.

CPFC introduced the agenda and informed that Board that, orders have been issued in the 9 cases which were found ineligible for wavier of damages and were rejected by CPFC on non-compliance with the stipulated conditions

Shri A.K. Padmanabhan raised the issue of the National Association of Blind given at SI.No. 3 and stated that the National Association of Blind would not be able to approach the BIFR for orders enabling them apply for waiver of damages. He requested that sympathetic consideration should be given to such cases.

Shri Michael Dias stated that in earlier meetings also Shri Sukumar Damle had raised the request for reviewing the Section 14B provisions. It has been seen that there is mechanical rejection of such requests. While there may be impediments legally, but it has to be examined and seen on humanitarian grounds. Levy of 14B in cases such as National Association of Blind should be reviewed. He also suggested that CBT can record its observations on Section 14B of EPF & MP Act, 1952 so that it can be considered as and when the SS Code comes into force.

Shri K.E. Raghunathan suggested to add amount involved as a separate column. He also requested to inform on number of pending cases between two CBTs.

The JS(SS) stated that the concerns raised by CBT members were well taken. She informed the Board that Section 14B of EPF& MP Act, 1952 provides reasonable opportunity to be heard before levying damages and suggested to sensitize the EPFO officers about this aspect.

Shri Sukumar Damle stated that the Trust for disabled persons were run on grants made by Government and if Government grants comes late, default will be there which is not intentional. Such assessment orders need to be reviewed and not enforced.

Hon'ble Chairman, CBT directed to take note of the concerns raised by members, CBT, EPF.

CPFC informed that as there are some limitations under EPF Scheme, 1952 and the Section 14B levies on cooperatives / NGOs etc. are also

an area for concern. Therefore, a legal view on the issue will be taken and the matter will be placed before Exempted Establishments' Committee and further before the CBT and if required, the approval of the Board will be taken on the issue.

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

Item No. 5: Status Note on Hon'ble Supreme Court judgement regarding Pension on higher wages.

Shri A.K. Padmanabhan referring to the status on Hon'ble Supreme Court judgement on higher wages that was presented before the Board, suggested that amendments are required in the Scheme to give justice to members. He further stated that the administrative circulars and the on-line options have created some issues in filing of applications by some eligible persons. The insistence on proof for remitting on higher wages and/or rejection of requests by EPFO would be difficult for the members or establishments to comply with. Also, paper options required now after receiving many years of remittance, is a challenge.

Shri K.E. Raghunathan stated that an establishment was required to maintain records for past seven years and, therefore, asking them to produce documents for earlier period would be difficult to comply with. Particularly, joint declaration / rejection/confirmations may not be possible for the pensioners who retired in 2014, and are now at the age of 67 years.

Shri Sunkari Malleshram stated that many PSUs units are sick and having no Board and no management and it would be difficult for such establishments to submit such requisites. The exempted establishments have been subject to regular annual audit. He sought review on insistence of records. He emphasised on a need to look at the issue with great sensitivity and for a fair resolution of the entire issue.

Shri Harbhajan Singh Sidhu desired to know the circumstances in 2014 that resulted in the amendments in the EPS, 95 Scheme. He proposed that EPFO should open special desks to assist pensioners. It was informed by the CPFC that instructions have been issued to the Field Offices to this effect.

Shri Sougata Roy Choudhury expressed thankfulness for the webinars convened by EPFO which have facilitated the FAQs on the subject. He suggested that the certificate mandated for applying for higher pension may be reviewed and instructions revised.

Shri Dilip Bhattacharya stated that the issue of pension on actual wages is not very clear even to CBT members, therefore, it would not be clear to poor pensioners or members. Employees have to deposit huge amount plus interest for getting pension on higher wages. He suggested that there should be more clarity on this as members should be able to evaluate whether it is beneficial to them or not.

Shri Sukumar Damle was of the view that if there are some problems with the SC orders then Ministry may go to Parliament to amend the law.

Shri Hiranmay J. Pandya suggested that the possibility of covering the EPS pensioners under Ayushman Bharat need to be explored. Shri A.K. Padmanabhan suggested, instead, that EPS pensioners should be covered under ESIC and this possibility should be looked into.

The Board took note of the agenda item and proposal.

Item No. 6: Proposal for surrender/cancellation of exemption under Section 17(4) of Employees' Provident Fund & Miscellaneous Provisions Act, 1952.

Shri Ashish Wig observed that many establishments are surrendering the exemption as EPFO services have improved tremendously. Accordingly, it was expected that more members will be coming into EPFO's fold. Hence, EPFO need to prepare accordingly.

Shri Michael Dias stated that for delayed cancellation of exemption, for which establishment was not responsible, huge damages cannot be levied. Damages should not be applicable in such situations and this needs to be reviewed.

Shri Sukumar Damle submitted that the cancellation of exemption of Alliance Jute Mill (who made application in 2019), should be expedited.

The Board approved the proposal as contained in the agenda.

Item No. 7: Informative Agenda regarding Surrender/ Cancellation / Grant of Exemption Cases

Introducing the agenda, the CPFC thanked the members of the Exemption Sub-committee for clearing many of the backlog cases.

Shri Michael Dias stated that in a number of cases, proposals are pending at the State Government level after being recommended by the Board. He suggested that there should be a timeline for disposal of such cases and that the exemption should be deemed to be cancelled if no decision is taken in three months. He requested that the SOP on exemption may be placed before CBT for information at the earliest.

The Board took note of the agenda item.

Item No. 8: Revised Estimates for the year 2022-23 and Budget Estimates for the year 2023-24 for EPFO and Schemes administered by EPFO

FA&CAO, Ms. T.L Yaden informed the Board that the proposed budget outlay is higher due to new recruitments, new initiatives like NAN, capital expenditure and IT expenditure which are the major identified expense areas. If there is a need for enhancing IT expenditure further, EPFO would again approach CBT when approvals for RE 2023-24 are sought from the Board.

Shri Atul Sobti felt that the budget was conservative given the fact that the growth last year was 14% but projection on revenue side is 7% only. He opined that on the Capital side the projections seem to be on the lesser side.

Shri Sunkari Malleshram suggested that EPS 95 requires more allocation in Budget in view of provision for higher pension in view of Supreme Court orders.

Shri K.E. Raghunathan informed that the increase in Capital Expenditure was raised in FIAC and it was felt that EPFO would be able to make the expenditure. He also pointed out that the RE was only 7% over BE. Further, with the increase in salary projected in industry the growth rate may be reviewed. He added that in-position manpower strength is just 60% of sanctioned strength and, therefore, the organization should

either use more IT tools or fill up the vacancy to maintain its operational efficiency.

Shri Harbhajan Singh Sidhu opined that outstanding recoveries is a area of concern and requires special attention. He further added that some offices have more expenditure and less income. He suggested that the revenue profile office wise may be reviewed for streamlining the same and wasteful expenditure be checked to make good the losses.

CPFC explained that expenditure and income of offices would vary over time, roughly following the dynamic shifts in industrial / employment patterns at the macro economic scale. However, EPFO was regularly reviewing to enhance coverages and thereby to also increase the administrative income.

Shri Anupam Malik stated that one of the major deterrents for employers to come forward for coverage or to correctly declare the employment was the back period liability. He suggested to do a pilot on a general amnesty for coverage and invite employers to respond. This may lead to increase in coverage and hence income.

Shri Hiranmay J. Pandya suggested to increase administrative charges in view of the five year perspective plan of EPFO. He also suggested to increase allocation of more funds for IT purposes.

Shri Dilip Bhattacharya observed that the interest due but not received on investments should be reviewed and delays explained. Also, default in investment needs to be analysed seriously to protect the members' interest.

With these observations the Board approved the proposal as contained in the agenda.

Item No. 9: Information to be placed before the Central Board in accordance with Para 23 of the EPF scheme

Shri Hiranmay J. Pandya pointed out that promotions to APFC cadre are pending and may be expedited.

The Board took note of the agenda placed before it.

Item No. 10: Status of promotions given to Group B and C officials and posts filled through Direct Recruitment in Group B and C during the year (18.06.2022 to 17.03.2023)

CPFC informed the Board that due to the digital Vigilance Clearance facility, promotions and other benefits are being extended regularly and more quickly.

Shri Harbhajan Singh Sidhu stated that all promotions are being given from current date only i.e. from the date of assumption of charge. Whereas it should be done from the date of occurrence of vacancy. He suggested that timeline for filling vacant posts should be observed. CPFC stated that DoPT / GoI instruction are being observed and are applicable for all employees of EPFO.

Shri Prabhakar J. Banasure stated that the Anomaly Redressal and Implementation Committee constituted for the Cadre Restructuring had recommended that SS posts be merged with EO / AO. He suggested that this recommendation should be implemented.

Shri Sunkari Malleshram suggested that as the further restructuring in EPFO has already commenced with the appointment of consultant. The report may be expedited as employees are looking at it with expectations. He also suggested that AD/DD (OL) promotions could be considered based on model RRs.

Shri Sukumar Damle stated that he would cross-verify some of the promotion related data at his level and revert back, if required.

The Board took note of the agenda placed before it.

Item No. 11: Proposal for conversion of status of EPFO from Associate Member to Affiliate Member in International Social Security Association (ISSA)

The Board approved the agenda as placed before it.

Item No. 12: Information regarding Delegation of Financial / Administrative Powers by CPFC U/P 24(3) of the EPF Scheme, 1952

The Board took note of the agenda placed before it.

Item No. 13: Information Agenda Item-Downtime period for 233rd CBT

Introducing the agenda, CPFC informed that the concurrent sessions which were earlier 20,000 had since been increased to three times and can now go upto 60,000 concurrent sessions. With the approvals given in the previous meeting, EPFO has been able to augment storage as and when required. Also, the current Servers are nearing end of life and presently the sizing of next servers is going on. Proposals will be placed before CBT for approvals. Certification of Application through third party audit has been completed.

Shri Michael Dias informed that some offices were still reporting slowness of response in the application software from time to time and hence suggested a detailed exercise on the downtime with more detail.

The Board took note of the agenda placed before it.

BLUE AGENDA BOOK-I

Item No. 14: Action Taken Statement in respect of decision taken in the CBT meetings held upto 31st October, 2022 (232nd CBT Meeting).

The Hon'ble Chairman directed that discussions on the ATR should be deferred for the next meeting allowing members time to study and respond.

Item No. 15: General Approval for Conduct of Examination through the National Testing Agency.

It was informed that in the 230th CBT meet approval was given to have an agreement with NTA for recruitment to various posts of EPFO. Advertisement has been notified for recruitment of approximately 2700 posts in the cadre of SSA and Stenographers.

The fees decided by NTA is approximately Rs 700 per candidate payable by the candidate himself except for the exempt students for whom reimbursement would be made by EPFO.

Shri Harbhajan Singh Sidhu inquired if it was possible to do such recruitments by EPFO itself.

Chairman remarked that a large number of posts are going to be filled in the near future. National Testing Agency is the competent agency that is well equipped to handle such recruitments.

With the above discussion the Agenda was approved as proposed.

Item No. 16: Information regarding constitution of Committee for recommending Amendments in the Employees' Provident Fund (Officers and Employees' Conditions of Service) Regulations, 2008.

CPFC introducing the agenda stated that there was a need to update the regulations in line with the current rules and instructions.

It was informed that a committee has been formed under the Chairmanship of Shri Alok Saxena, Addl. Secretary (Retd.), MoH&FW for making comprehensive amendments to the EPF (Officers and Employees' Conditions of Service) Regulations, 2008. The report of the said committee will be placed before the HR Sub-committee of CBT.

The Hon'ble Chairman directed that the opinion of CBT members should also be invited and placed before the committee.

With this discussion the Board took note of the agenda item.

BLUE AGENDA BOOK-II

Introducing the Blue Agenda Book-II, the CPFC Informed the Board that six items are placed before the Board for consideration. These agendas are important and sensitive and hence were being tabled. These agenda items have been discussed and recommended by the FIAC.

Item No. 17: Status of partner agencies (Portfolio Managers, AMCs for ETF Investments and External Concurrent Auditor) engaged by EPFO as on 20.03.2023.

FA&CAO, Ms. T.L Yaden informed to the Board that currently there were two Portfolio Managers handling the debt component of the portfolio and their tenure would be over on 31.03.2023. The RFP needs

to be finalized for appointment of new Portfolio Manager for which the process is on and till the finalization extension is proposed for the present Portfolio Managers. This is placed before the board for ratification.

It was informed that Hon'ble Chairman, CBT had accorded approval for four Asset Management Companies (AMCs) based on the recommendation of selection committee and FIAC. These 4 AMCs namely - ICICI Prudential Asset Management Company Limited; SBI Funds Management Limited; Nippon Life India Asset Management Limited and UTI Asset Management Company Limited, shall manage our ETF investment. Previously there were only two AMCs viz. SBI and UTI who was handling this. The new AMCs are likely to start their operations from 1st of April. This is placed before the board for ratification.

The ECA whose appointment was ratified by the board in its 232nd meeting has been on-boarded and has started functioning. This was for information of the Board.

The Board approved the agenda placed before it.

Item No. 18: ETF Redemption during FY 23-24 on the basis of Broad Contours of Redemption Policy approved by CBT

FA&CAO, Ms. T.L Yaden brought to the notice of the Board that EPFO redeems the ETFs during last quarter of the financial year which puts risk pressure on the assets. The parameters are approved by the board. The new policy ensures that the redemptions and investments are made throughout the year on the set parameter to ensure better returns and to insulate the organization from market fluctuations. For financial year 2023, also same policy and guidelines is brought before the board for approval of redemption of ETFs.

The FIAC has deliberated on this and recommended same.

The Board approved the agenda as placed before it.

Item No. 19: Extension of the tenure of the present Consultant till the appointment of the New Consultant through RFP

FA&CAO, Ms. T.L Yaden explained to the Board that the tenure of the present Consultant viz. CRISIL had expired on 5th February 2023. Extension is sought till the time a new consultant is appointed and brought onboard. It is proposed to have two consultants, one focussing on debt side and the other on equity side and research and for that purpose a Committee is proposed to be constituted. The proposal is recommended by FIAC.

Shri Hiranmay Pandya stated that there were some limitations observed and while finalizing the present RFP these should be looked into and the extant RFP should be modified to ensure that there is no conflict of interest and the Consultant works with full transparency.

Chairman agreed with the suggestion and also advised that an undertaking be taken from the consultant appointed.

The Board approved the proposal with above modifications.

Item No. 20: Proposal for allowing reinvestment of ETF redemption proceeds in any permissible asset class of Pattern of Investment (POI)

The Board was informed that the current guidelines on Pattern of Investment issued by the Ministry of Finance and MoLE do not stipulate as to how the redemption proceeds of ETF will be utilized.

In order to generate income for the purpose of the EPF scheme, the EPFO redeems the ETF units on periodic basis. The proceeds of ETF redemption are treated as income and therefore, only 15% of such redemption proceeds are invested into ETFs and remaining 85% is invested in debt instruments.

The share of equity investments in the total EPF corpus is only 10% as on January, 2023. Whereas, upto 15% investment in ETF is permitted as per the guidelines of POI issued by Ministry of Finance.

It is proposed that proceeds of ETF investments may be re-invested in Equity and related instruments which will increase the equity component

to the permissible limit in the portfolio. This would require approval of Central Government for insertion of clarification clause.

Hence the item is placed before the Board for consideration and recommendations to the Central Government. FIAC has seen and concurred with the proposal.

Shri Dilip Bhattacharya wished to know whether necessary precautionary measures were being taken to deal with high risk associated with ETF and also whether the ETF investments have resulted in overall gain or loss for the Fund. It was clarified that the ETF redemption till now has been on the positive side only.

Shri Anupam Malik stated that our consultant should advice and guide the fund manager properly on how to maximise returns from equity. We should not be focusing only on ensuring “no-loss” and instead focus should be on “maximising” return on equity investments.

The Hon’ble Chairman advised that the concerns of members should be taken care of.

After discussions, the Board approved the proposal as contained in the agenda.

Item No. 21: ETF Redemption during FY 2022-23

It was informed that the Board had approved the redemption of ETF Units purchased at cost of Rs. 15692.43 crores during the calendar year 2018 subject to the fulfilment of certain criterias including ‘*benchmarking returns to historical long term averages*’. The redemption of the units of ETF based on Nifty-50 Index halted from 01.03.2023 as ‘*benchmarking returns to historical long term averages*’ was not met. Therefore, a proposal for relaxing the said criteria while retaining the other criterias was submitted before Hon’ble Chairman, CBT for approval. The Board ratified the approval accorded by Hon’ble Chairman, CBT.

The Board also took note of the redemptions of ETF units for the calendar year 2018 which was completed on 21.03.2023 with capital gains of Rs. 10,993.02 crore.

Item No. 22: Declaration of rate of interest for the year 2022-23

The Board was informed that last year's income of about ₹ 70000 crore has been distributed to the member account. New software was prepared to cater to the requirement of amendments in Income Tax Act. The EPF member accounts for FY 2021-22 have been updated barring few establishments whose accounts are pending for updation due to some technical issues.

In respect of the tabled agenda on recommendation of rate of interest to be credited to EPF member account for the year 2022-23, FA&CAO highlighted that the total investments as on 31-01-2023 was ₹ 12,53,645 crores and the total Liability carried forward from previous year was ₹ - 197.72 crore. Net Interest income available for distribution was ₹ 90,497.57 crore and the net principal amount on which interest is to be paid for FY 2022-23 was ₹ 11,02,253.54 crore. The FIAC in its recommendations had indicated that a surplus remains if interest is declared between 8.10% to 8.20%. However we should be conscious of the challenges and recommend accordingly especially in view of Para 60(4) EPF Scheme.

CPFC added that due to the hard work by Investment team and constant monitoring and reviews at the highest levels including at the level of the FIAC, Secretary (L&E) and Hon'ble LEM, EPFO had ensured that despite turbulences the income has not reduced. There has been a growth of 16% in income against 15% in the principal.

Hon'ble Chairman invited comments from the members.

Shri K. E. Raghunathan stated that in FY 2021-22 there was a negative overdraw of ₹ -197.72 crore even though at the time of recommending the interest a cushion of about ₹ 350 crore was kept to ensure that there was no breach of Para 60(4). It was, therefore, incumbent that taking a very conservative approach the rate of interest could be recommended at 8.10% and in any case not more than 8.15%.

Shri H. S. Sidhu stated that we should fully utilise the surplus and declare 8.20%. The principal amount is more than ₹ 11 lakh crore, income is more than ₹ 90,000 crore. The Board may recommend 8.20%.

Shri Pandya and Shri Padmanabhan were of the opinion that 8.20% may be considered, as there is a projected surplus may increase on ETF redemptions.

Shri Anupam Malik stated that it was likely that in the next five to six months the markets will stabilize. However, there must be some cushion and safety norms should not be violated. He suggested interest recommendation at 8.15% as it reflects a minor increase over last year and also allows cushion for turbulence.

Shri Dilip Bhattacharya stated that Interest rates are going on downward spiral over the years that is hurting the workers. He stated that better interest rates should be offered.

Shri Prabhakar Banasure submitted that reduction in interest rates over the years has led to criticism. The general interest rate regime in India is increasing and India is now fifth largest economy in world, hence higher rate of 8.20% may be recommended, as there was surplus of ₹ 112 crore at that rate.

Shri Sukumar Damle stated that EPFO is not able to reach 15% limit in ETF. If Debt instruments are not giving good returns that needs to be looked into. He also submitted that Interest rates are going up in Banks and there is demand for increase in old age benefits. He was of the opinion that more benefits should be given to the worker and, if required the Government should give some funds for that.

Shri Ashish Wig said that 8.15% looks right as EPF corpus return and prevailing rate of interest in Banks are not comparable.

Hon'ble Chairman in his remarks stated that today the Board has taken decision to fully utilise the ETF limit. The safety and security of the worker's fund should be the primary concern of CBT. EPFO has done commendable monitoring and review throughout the year to enable current returns on corpus. He said that decision should be guided by the hard facts. The Hon'ble Chairman observed that it would be prudent to have some surplus as a cushion. A balanced view indicates that 8.15% return rate is appropriate. Based on the Fund's position it would be desirable if we recommend rate of 8.15%.

The Board concurred with the proposal for recommending the rate for FY 2022-23 at 8.15% to the Central Government

The meeting ended with a vote of thanks to chair.

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List of members who attended the 233rd 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. Vibha Bhalla, Joint Secretary, Ministry of Labour & Employment	Central Government's Representatives
4.	Ms. G. Madhumita Das, Joint Secretary & Financial Advisor, Ministry of Labour & Employment	
5.	Shri Rajesh Panwar, Joint Director, Dept. of Economic Affairs, Ministry of Finance (representing Joint Secretary (Investment), Dept. of Economic Affairs, Ministry of Finance)	
6.	Shri Ajit Kumar, Secretary (Labour), Government of Kerala	State Governments' Representatives
7.	Shri Anil Kumar, Principal Secretary (Labour), Government of Uttar Pradesh	
8.	Shri Naveen Sharma, Assistant Labour Commissioner, Government of Chandigarh Administration	
9.	Shri R. N. Sharma, Labour Commissioner, Government of NCT of Delhi	
10.	Mrs. Nilambari Bhosale, Deputy Commissioner (Labour), Government of Maharashtra	
11.	Shri Arun Chawla	Employers' Representatives
12.	Shri Michael Dias	
13.	Shri Atul Sobti	
14.	Shri Sougata Roy Choudhury	
15.	Shri Ashish Wig	
16.	Shri K.E. Raghunathan	
17.	Shri S.K. Sharma	
18.	Shri Anupam Mailk	
19.	Shri Sanjay Bhatia	
20.	Shri Hiranmay J. Pandya	
21.	Shri Prabhakar J. Banasure	

22.	Shri Sunkari Mallesham	
23.	Shri A.K. Padmanabhan	
24.	Shri Sukumar Damle	
25.	Shri Harbhajan Singh Sidhu	
26.	Shri Dilip Bhattacharya	
27.	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 and Director General Labour Welfare, Ministry of Labour and Employment	
3.	Secretary to the Government of Andhra Pradesh, Labour Department, Hyderabad.	State Governments' Representatives
4.	Secretary to the Government of Gujarat, Labour and Employment Department, Gandhinagar.	
5.	Secretary to the Government of Haryana, Labour Department, Chandigarh	
6.	Secretary to the Government of Karnataka, Department of Labour, Bangalore	
7.	Secretary to the Government of Madhya Pradesh, Department of Labour, Bhopal	
8.	Secretary to the Government of Punjab, Department of Labour, Chandigarh	
9.	Secretary to the Government of Rajasthan, Department of Labour, Jaipur	
10.	Secretary to the Government of Tamil Nadu, Labour Department, Chennai	
11.	Secretary to the Government of Telangana, Department of Labour, Hyderabad	
12.	Secretary to the Government of West Bengal, Department of Labour, Kolkata	
13.	Shri Govind Lele	