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Item No. 1 : Confirmation of draft minutes of the 112th meeting of the Executive Committee, CBT (EPF) held on 25.02.2025

The draft minutes of the 112th meeting of the EC, CBT (EPF) held on 25.02.2025 were circulated to all the members vide EPFO letter dated 13.03.2025 (**Annexure-A**).

2. The observations/comments received from EC members, Ms. Madhumita Das, JS & FA (MoLE) and Sh. Hiranmay J. Pandya are enclosed as **Annexure-B** and **Annexure-C**.

3. The draft minutes of the 112th meeting of the EC, CBT (EPF) as approved by the Chairperson EC, CBT (EPF) are placed for confirmation by the Executive Committee.

Proposal : The draft minutes of the 112th meeting of the Executive Committee, CBT (EPF) as approved by the Chairperson are placed for confirmation by the Executive Committee



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

एन०बी०सी०सी० सेंटर, ब्लॉक-2, ग्राउंड-4th फ्लोर, ईस्ट किडवाई नगर, नई दिल्ली-110023
NBCC Centre, Block-2, Ground-4th Floor, East Kidwai Nagar, New Delhi-110023



No. Conf.3(1)2025/112thEC

Date: 13 MAR 2025

To

All Members,
Executive Committee (EC), CBT.

Subject: Draft minutes of 112th meeting of the Executive Committee (EC), CBT held on 25.02.2025 in EPFO Head Office, New Delhi- reg

Madam/Sir,

I am directed to forward herewith the draft minutes of 112th meeting of the Executive Committee (EC), CBT held on 25.02.2025 in EPFO Head Office, New Delhi, duly approved by the Chairperson, EC, with the request to forward your comments within 07 days to rc.conf@epfindia.gov.in.

Yours faithfully,

(Sundeeep Ceasor Toppo)

Regional PF Commissioner-II (Conference)

Copy to:

1. PS to Hon'ble Minister (Labour & Employment) for information.
2. PS to Hon'ble MoS (Labour & Employment) for information.
3. PPS to Secretary (Labour & Employment) for information.
4. PS to Central Provident Fund Commissioner, Head Office, New Delhi.
5. All Divisional Heads, EPFO HO and Director (PDNASS).
6. Under Secretary (SS-II), Ministry of Labour & Employment, New Delhi.
7. e-Office for circulation via Notice Board.
8. Guard File.

(Sundeeep Ceasor Toppo)

Regional PF Commissioner-II (Conference)

rc.conf@epfindia.gov.in

MINUTES OF 112th MEETING OF THE EXECUTIVE COMMITTEE, CBT (EPF) HELD ON 25th FEBRUARY, 2025 AT EPFO, HO, NEW DELHI

The 112th Meeting of the Executive Committee, CBT (EPF) was held on 25.02.2025 and was chaired by Ms. Sumita Dawra, Secretary (L&E) to the Government of India, Ministry of Labour and Employment, New Delhi & Chairperson, EC. List of attending members is at **Annexure-A.**

2. CPFC welcomed Chairperson/ Secretary (L&E) and the members to the 112th Meeting of the Executive Committee.

3. With the permission of the Chairperson, the CPFC took up the Agenda Items for discussion.

Agenda Item 1: Confirmation of draft minutes of the 111th meeting of the Executive Committee, CBT (EPF) held on 18.01.2025

The draft minutes of the 111th Executive Committee, CBT (EPF) was confirmed by the Executive Committee.

Agenda Item 2: Minutes of meetings of the Sub-Committees of the Executive Committee

The Executive Committee took note of the minutes of the Sub-committee. The Chairperson advised that regular meetings of IT Sub-committee should take place for items other than procurements as well.

Agenda Item 3: Adoption of the Unified Pension Scheme for EPFO employees

Features of Unified Pension Scheme (UPS) were placed before the Executive Committee. It was explained that Central Government had notified the UPS recently and a providing a similar option to EPFO employees to choose between New Pension Scheme (NPS) and UPS. Such an option had to be given by March 31st 2025.

JS&FA, MoL&E remarked that there should be two separate funds one for Central Pool Fund and the other for Unified Pension Fund, This fund should have regular actuarial valuation as well as investment as per pattern of investment. CPFC clarified that Individual Contribution goes to NPS Fund as per the Notification whereas the creation of Central Pool Fund requires further clarity as to whether it has to be maintained by EPFO or Central Government as mentioned in Para 2(xi) of the Notification dated 24.01.2025.

JS&FA, MoL&E advised that awareness campaign for choosing option under Rule 10 of NPS Scheme also to be initiated for EPFO employees. Chairperson concurred with the suggestion.

The Executive Committee also discussed Para 15 of the notification with respect to transfer of funds from NPS for employees choosing to opt for UPS and regulations of Unified Pension Scheme. JS&FA suggested to schedule a meeting of EPFO with PFRDA on this matter.

The Executive Committee approved adoption of the Unified Pension Scheme as an option for EPFO employees and for taking options by 31st March, 2025 as notified by the Finance Ministry.

Agenda Item 4: Status of review of Recruitment Rules

The Executive Committee took a note on the status of review of Recruitment Rules by the expert committee with an advisory to complete the review of pending draft RRs by March, 2025.

Agenda Item 5: Status Report of the Committee on Delegation of Administrative / Financial Powers

Status report of the Committee was placed before the Executive Committee. It was informed that the Committee has submitted report on Delegation of Financial Powers which is being reviewed by HR and IFD divisions of EPFO, Head Office. The

Committee also submitted report on Delegation of Administrative Powers which is under examination.

The Chairperson directed that there should be broader vision, priority on efficiency without compromising on norms and rules along with risk management. Delegation to be done according to hierarchy.

The Chairperson also directed that an interactive session with Zonal Offices, with the Ministry and with the EC members on the briefs of Delegation of Administrative / Financial Powers need to be organized by EPFO.

The Executive Committee took note of the status report of the committee on delegation of Administrative / Financial Powers with a remark to EPFO to complete the examination of the report before 20th March, 2025.

Agenda Item 6: Status Note on Centralized Pension Payments System (CPPS) for disbursing pension through any Bank, any Branch, anywhere in India

The Executive Committee noted the good progress on the CPPS for disbursing pension through any bank, any branch, anywhere in India.

Migration to Aadhaar Based Payment System (ABPS) was discussed for pension disbursement. The Chairperson directed that a detailed plan with timeline to be prepared with respect to the development of software for disbursing pension through Aadhaar enabled bank account.

It was directed that a meeting with NPCI and SBI needs to be scheduled to address the pending issues within the timeline as committed to Cabinet Secretariat.

Agenda Item 7: Status Note on Hon'ble Supreme Court Judgement dated 04.11.2022 regarding Pension on Higher Wages

A presentation on the status note on the application status on PoHW cases was made before the EC.

The Chairperson directed to present segregated data of employers who were yet to forward applications to EPFO and of employers to whom applications were referred back and the reasons thereof. Also it was directed to place the segregated data for the reasons of rejected applications.

The Chairperson directed that status report on the applications may be made available to employers and employees on the EPFO web portal.

JS, MoL&E suggested to place the actuarial data on PoHW cases and its impact in the next EC meeting.

Shri S P Tiwari desired that the zone wise information on the final demand letters issued, rejected cases and total disposal of applications should also be presented.

The Executive Committee took note on the status on the applications of PoHW cases.

Agenda Item 8: Action Taken Statement in respect of decisions/directions of Executive Committee upto 111th EC meeting held on 18.01.2025

The Chairperson conveyed displeasure over the delay in the IIT Delhi report on EPFO manpower restructuring and directed to schedule a meeting with them. Further, if the report was found to be unsatisfactory, penalty provisions may be invoked as per the provisions of ToR.

The Chairperson directed that the classifications of the reasons of 32,000 pending court cases be presented, along with the steps taken to resolve them. CPFC explained that an Amnesty Scheme is being proposed to address litigation cases arising out of assessment orders of damages. The Chairperson directed that legal and financial vetting of the amnesty scheme should be completed, and the scheme should be presented before CBT. It was directed to present detailed analysis on the litigation cases of 14B orders in favour of / not in favour of EPFO in various courts.

The Chairperson raised issue on the pending applications on PoHW cases of RINL, Vizag Steel and Bhilai Steel and directed to resolve the issue at the earliest.

The Chairperson directed that age wise analysis of inoperative accounts should be conducted and should be discussed in FAC. The status report should be placed before the EC.

JS&FA, MoL&E suggested that UANs not linked with any MIDs may be purged or removed to avoid any possible fraudulent claim filing from these UANs. CPFC explained that unemployed members with UAN would not have any MID linked and therefore, such UANs cannot be purged.

The Chairperson informed that Centre for Good Governance (CGG), Hyderabad has been assigned to analyse the grievance redress mechanism of EPFO. It was directed that JS, MoL&E and Sh. C. Chakraborty, ACC (HQ), EPFO should have regular meetings with CGG in this regard.

The Chairperson also directed to develop an SoP for the third party audit on the exempted establishments and financial audit of the exempted establishment should be conducted before surrender.

Shri S. P. Tiwari emphasized that circulars issued should be shared with CBT members to raise awareness among workers. He further highlighted concerns regarding exempted establishments undergoing surrender or cancellation, noting that those with 7A/7Q/14B violations are evading recoveries. Additionally, he highlighted that exempt trusts are not following POI and indulging in the sale of securities at heavy discounts and that there were complaints against empaneled third-party auditors. To address these issues, he suggested that audits should be conducted by CAG or RBI-empaneled auditors.

CPFC explained that there is already a detailed SoP for surrender and cancellation. He further added that clearing surrender and cancellation cases of exempted establishments needs to be expedited as many are pending for long time.

CPFC informed that a committee has been formed to analyze the overall functioning and compliance audit of exempted establishments which would be expanded with

experts from ICAI and CAG. After incorporating their feedback, the matter could be further discussed in the EEC before being presented to the EC.

JS&FA, MoL&E suggested that the EEC should oversee the overall regulatory functions of EPFO and review all SoPs to develop solutions for addressing POI violations, as well as issues related to compliance audits and the surrender or cancellation of exempted establishments.

Shri Sanjay Bhatia pointed out that all the presentations made before EC should be circulated to all the EC members.

JS&FA, MoL&E desired that presentations should be enclosed with the minutes and circulated to members.

JS&FA, MoL&E also pointed out that there should be data sharing policy with other financial institutions and law enforcement agencies of EPFO.

The Executive Committee took note of the agenda on ATR.

Agenda Item 9: Progress in Implementation of CITES 2.01

CPFC presented that data migration and development of software modules are currently under progress. He mentioned that there has been a delay in software development of the pension module by CDAC.

The Chairperson suggested that the whole development with respect of CITES 2.01 should be for the purpose of ease of living to the beneficiaries and other stakeholders.

The Chairperson suggested that meeting with NASSCOM and other global IT Companies should be done for expert comments on the development of state-of-the-Art EPFO software system. It was further directed to have a meeting with LIC for the overall fund management and software design.

It was directed to develop the IT training module for the EPFO officers.

The Chairperson directed that a vision roadmap of the overall EPFO software architecture for the long-term perspective should be envisaged.

CPFC informed that based on the discussion held at Bengaluru on the approach for EPFO 3.0 for a scalable system to deliver services to various categories of workers and employers in future, a vision document and a roadmap document will be prepared in consultation and approval with the Ministry and the HLEM.

The Chairperson directed to place the vision document before EC. The Chairperson advised to take help of domain experts for Investment and IT infrastructure.

The Executive Committee took note of the agenda.

Agenda Item 10: Classification of grievances and systemic/process interventions

The Executive Committee took note of the agenda.

Agenda Item 11: Information agenda regarding expeditious disposal of Court Cases w.r.t. EPFO

The Executive Committee took note of the agenda with a directive to place the agenda of Amnesty scheme to reduce litigation in 14B cases, before the CBT after vetting from legal and financial perspective.

Agenda Item 12: Status Note on Report of the Committee on “Simplification of settlement of claims”

JS&FA, MoL&E presented a PPT on the mechanism for expediting the withdrawal process in settlement of claims. The entire process of instant PF withdrawal was demonstrated using wireframes using the BHIM UPI App. The EC was apprised about the recommendations on removing existing validations to enable the new process and process re-engineering for transfer claims. It was recommended that the same may be extended to other UPI Apps and UMANG App in future. Timeline for Implementation was also proposed.

The Chairperson recommended that the solution proposed by the Committee on the simplified PF withdrawal process should be implemented. CPFC assured that the work will be initiated by CDAC in coordination with SBI and NPCI.

Meeting ended with vote of thanks to Chair.

ANNEXURE-A

**List of members attended 112th Meeting of Executive Committee, CBT (EPF)
held on 25.02.2025 at 05.00 PM in EPFO, Headquarters**

1	Ms. Sumita Dawra Secretary to the Government of India, Ministry of Labour & Employment	Chairperson
2	Ms. Madhumita Das Joint Secretary & Finance Advisor, Ministry of Labour & Employment	Central Government Representatives
3	Sh. Alok Mishra Joint Secretary, Ministry of Labour & Employment	
4	Sh. Anjaneyulu Labour Commissioner, Govt of AP	State Government Representatives
5	Sh. Ashish Paliwal, Deputy Labour Commissioner, Govt of MP	
6	Director Department of Labour, Government of Gujarat (attended virtually)	
7	Sh. Atul Sobti (attended virtually)	Employers' Representatives
8	Dr. Sachin B. Sabnis (attended virtually)	
9	Sh. Sanjay Bhatia	
10	Sh. Hiranmay J. Pandya	Employees' Representatives
11	Sh. Girish Chandra Arya	
12	Sh. Sheo Prasad Tiwari	
13	Sh. Ramesh Krishnamurthi, IRS	CPFC & Member Secretary (Ex-Officio)

Re: Draft minutes of 112th meeting of the Executive Committee (EC), CBT held on 25.02.2025 in EPFO Head Office, New Delhi- reg

From : G Madhumita <jsfa-mole@nic.in>

Mon, Mar 17, 2025 11:08 AM

Subject : Re: Draft minutes of 112th meeting of the Executive Committee (EC), CBT held on 25.02.2025 in EPFO Head Office, New Delhi- reg

 Reply Minutes  113 EC

To : Conference, Head Office EPFO, Ministry of Labour Government of India, New Delhi
<rc.conf@epfindia.gov.in>

Cc : Secy Labour Employment <secy-labour@nic.in>, JS Social Security <js-socialsecurity@gov.in>, M V Seshagiri Babu, IAS <secy_letf@ap.gov.in>, secled@gujarat.gov.in, Principal Secretary Labour <pslabour@mp.gov.in>, sobtiatul@gmail.com, scopedg@scopeonline.in, sachinsabnis@bfplindia.com, sanjaybhatia@hindustantin.co.in, hiranmay pandya <hiranmay.pandya@yahoo.com>, aryagirish56@gmail.com, tuccindia@gmail.com, tuccentraloffice@gmail.com, Shobha Karandlaje <mos.shobha@gov.in>, Central PF Commissioner, EPFO <cpfc@epfindia.gov.in>, AMAR SINGH <pstominister-mole@gov.in>, Chandramauli Chakraborty <chandramauli.ch@epfindia.gov.in>, Sanjay Pandey <fa.cao@epfindia.gov.in>, CVO EPFO <cvo@epfindia.gov.in>, Director NATRSS <dir.natrss@epfindia.gov.in>, Gautam Dixit <gautam.dixit@epfindia.gov.in>, Amit Katoch <amitkatoch@epfindia.gov.in>, Bhaskar Choradia <b.choradia@epfindia.gov.in>, Anil OK <anil.ok@epfindia.gov.in>, sudesh kumar <sudesh.kumar75@nic.in>, Vinita Sinha <sinha.vinita@gov.in>, RPFC Pension Head Office <rc.pension@epfindia.gov.in>, RPFC II, HRD Head Office, EPFO <rc2.hrd@epfindia.gov.in>, Chief Engineer EPFO Ministry of Labour <chiefengineer@epfindia.gov.in>, Policy Admin HR IS <vee8.is@epfindia.gov.in>, Regional PF Commissioner EPFO Ministry of Labour <rc.ndc@epfindia.gov.in>, MIHIR KUMAR Regional PF Commissioner <mihir.kumar@epfindia.gov.in>, RPFC HRM, EPFO Ministry of Labour <rc.hrm@epfindia.gov.in>, Kumar Rohit, Addl CPFC, EPFO Ministry of Labour <kumar.rohit@epfindia.gov.in>, RPFC MIS, EPFO Ministry of Labour <rc.mis@epfindia.gov.in>, Balance Sheet Section <apfc.bsheets@epfindia.gov.in>, RC Exam, EPFO, Head Office <rpfc.exam@epfindia.gov.in>, E Office Head Office <eoffice.epfo@epfindia.gov.in>

Dear Sir,

I have the following comments on the Agenda item * - ATR on 111th EC

- a) I had raised the pending VIP reference on higher pensions cases of MILMA forwarded by MoLE, however no mention has been made in the minutes
- b) I had requested that the presentations made to the EC be enclosed with the minutes. This may please be done.

It is suggested that the first line of the minute under Agenda 12 - Status note on Report of the Committee.... be read as follows:

JS&FA, MoLE made a presentation on the recommendations of the committee set up by the MoLE to suggest a mechanism for expediting the withdrawal process in settlement of claims.

I request that the above may be considered for suitable inclusion in the minutes.

---- On Thu, 13 Mar 2025 15:05:11 +0530 **Conference, Head Office EPFO, Ministry of Labour Government of India, New Delhi** <rc.conf@epfindia.gov.in> wrote ---

Madam/Sir,

Please find attached the draft minutes of 112th meeting of the Executive Committee (EC), CBT held on 25.02.2025 in EPFO Head Office, New Delhi, duly approved by the Chairperson, EC, with the request to forward your comments within 07 days to rc.conf@epfindia.gov.in.

सादर/Regards,

सम्मेलन अनुभाग/Conference Section
EPFO Head Office

Re: Draft minutes of 112th meeting of the Executive Committee (EC), CBT held on 25.02.2025 in EPFO Head Office, New Delhi- reg

From : hiranmay pandya <hiranmay.pandya@yahoo.com>

Thu, Mar 13, 2025 08:47 PM

Subject : Re: Draft minutes of 112th meeting of the Executive Committee (EC), CBT held on 25.02.2025 in EPFO Head Office, New Delhi- reg

 Reply Minutes  113 EC

To : Conference, Head Office EPFO, Ministry of Labour
Government of India, New Delhi
<rc.conf@epfindia.gov.in>

Reply To : Hiranmay Pandya <hiranmay.pandya@yahoo.com>

Namaste.

I gone through minutes provided by you.
I have suggested in agenda no 3 and no4 . My name does not appear. While in other agenda other cbt members name appeared. Who has prepared?
Please clarify.
Thanks.

Hiranmay pandya
EC member

[Yahoo Mail: Search, organise, conquer](#)

On Thu, 13 Mar 2025 at 3:05 pm, Conference, Head Office EPFO, Ministry of Labour
Government of India, New Delhi
<rc.conf@epfindia.gov.in> wrote:

|

Madam/Sir,

Please find attached the draft minutes of 112th meeting of the Executive Committee (EC), CBT held on 25.02.2025 in EPFO Head Office, New Delhi, duly approved by the Chairperson, EC, with the request to forward your comments within 07 days to rc.conf@epfindia.gov.in.

सादर/Regards,

सम्मेलन अनुभाग/Conference Section
EPFO Head Office

Item No. 2 : Minutes of meetings of the Sub-Committees of the Executive Committee

Statement regarding the meetings of the sub-committees of the Executive Committee are furnished as under:

1. Sub-Committee on IT

- i. No meeting held since 08th meeting held on 10.12.2024.

2. Sub-Committee on Human Resources (HR)

- i. 07th meeting held on 20.02.2025. Minutes are enclosed as Annexure-A.

Proposal : The Executive Committee may please take note of the minutes of the meetings of sub-committees of Executive Committee, as referred above

FINAL MINUTES OF THE 7TH MEETING OF SUB COMMITTEE ON HUMAN RESOURCES (HR) DATED 20TH FEBRUARY, 2025.

The 7th meeting of the Sub Committee on Human Resources (HR) was held in hybrid mode under the Chairmanship of Shri Ramesh Krishnamurthi, CPFC on 20th February, 2025 in presence of following members of the Sub-Committee:

Name	Designation	Role
Shri Alok Mishra	Joint Secretary (Social Security-I), MoL&E(Through VC)	Central Government's Representative
Shri Harbhajan Singh Sidhu	CBT Member	Employees' Representative
Shri Bhaskar Choradia	ACC (HQ) HR	Convener

(The list of officers who assisted the committee in meeting is appended at the end)

The Chairperson welcomed all members of the Sub-Committee and provided a briefing on the agenda items to be discussed during the meeting.

RPFC-I (HRD-I) informed the members that Shri Baldevbhai G. Prajapati and Shri J.A. Vaidyanathan had conveyed their inability to attend the meeting. It was also noted that Shri J.A. Vaidyanathan, through an email, expressed his agreement with the proposal to extend the Unified Pension Scheme to eligible employees of EPFO on the same lines as in the Government of India.

The Convener, ACC (HQ) HR, then initiated discussions on the agenda, as detailed below:

2. Confirmation of minutes of 6th Meeting of HR Sub Committee held on 14.01.2025.

The minutes of the 6th meeting, as approved by the Chairman of the Committee, were confirmed by the members.

3. Agenda Item No. 1: Adoption of the Unified Pension Scheme for EPFO employees.

The agenda was introduced by ACC (HQ) HR. The salient features of the Unified Pension Scheme like corpus composition, contribution to the scheme, eligibility for assured pay outs and other benefits as outlined in the notification no.FX-1/3/2016-PR dated 24.01.2025 were presented to the Committee. The effective date of operationalisation of UPS shall be 1st April 2025 and employees under NPS may opt for UPS option, along with all its stipulations before that. Option once exercised shall be final.

RPFC-I (HRD-I) has pointed out that certain aspects of the policy, particularly regarding the calculation of 'benchmark corpus' may be determined by the Pension Fund Regulatory and Development Authority in future.

During the deliberations, Shri Harbhajan Singh Sidhu highlighted that the time given for opting for the new UPS is very short. He also expressed his concern that the new UPS scheme, while offering advantages such as assured payout and a provision for 60% of the payout to be admissible as a family benefit in case of the employee's demise etc, had certain drawbacks compared to the NPS including a lower government contribution to the individual corpus and a lower lump sum payment upon superannuation.

Additionally, Shri Sidhu sought clarification whether Central Government would make the additional contribution in the new UPS scheme toward the pool corpus. In response, the Chairman clarified that the required funds would be drawn from EPFO's administrative costs (0.50% of the PF wage) only and no contribution will be made by Central Government for the pooled fund for EPFO employees.

It was further noted that modalities may be required to be developed in consultation with Ministry and directions from Central Govt in future regarding the Provision 2 (xi) of the Scheme, which pertains to investment decisions for the pooled fund corpus.

Shri Alok Mishra (JS, (Social Security-I), MoL&E) also expressed his agreement with the proposal. After thorough deliberations, the Committee unanimously recommended the agenda item for consideration by the Executive Committee (EC).

**LIST OF OFFICERS FROM EPFO WHO ATTENDED THE 7th
MEETING OF SUB COMMITTEE ON HUMAN RESOURCES,
Dated 20th February, 2025**

S. No.	Name of the officer	Designation
	Sh. Mohammed Shariq	Regional P.F. Commissioner-I (HRM- I)
	Sh. Shahid Iqbal	Regional P.F. Commissioner-I (HRM- III)
	Sh. Saurabh Tripathi	Regional P.F. Commissioner-I (HRD- I)

Item No. 3 : Information regarding Inoperative Accounts in EPFO

1. **Background:** EPFO maintains the PF accounts of its members in a fiduciary capacity. The provident funds in these accounts are invested as per the laid down provisions, and interest is paid to the members in return. However, there are some accounts which have been categorised as inoperative accounts vide Para 72(6) of the EPF Scheme, 1952, as below:

“72 (6). Payment of Provident Fund: Any amount becoming due to a member as a result of (i) supplementary contribution from the employer in respect of leave wages/arrears of pay, installment of arrear contribution received in respect of a member whose claim has been settled on account but which could not be remitted for want of latest address, or

(ii) accumulation in respect of any member who has either retired from service after attaining age fifty-five years or migrated abroad permanently or died, but no application for withdrawal under paragraphs 69 or 70 has been preferred within a period of thirty six months from the date it becomes payable, or if any amount remitted to a person, is received back undelivered, and is not claimed again within a period of thirty six months from the date it becomes payable, shall be transferred to an account to be called the “Inoperative Account”.

Provided that in the case of a claim for the payment of the said balance, the amount shall be paid by debiting the “Inoperative Account”.

Provided further that if any amount becoming due to a member, as a result of supplementary contributions on account of litigation or default by the establishment or a claim which has been settled but is received back undelivered not attributable to the member, shall not be transferred to the inoperative account. “

2. All these accounts do not earn any interest as per para 60 (6) of the EPF Scheme, vide provisions below:

“(6) Interest shall not be credited to the account of a member from the date on which it has become Inoperative Account, under the provisions of sub-paragraph (6) of paragraph 72.”

3. Although these are inoperative accounts, they cannot be necessarily classified as “Unclaimed accounts” as all such accounts have definite claimants. Moreover, these accounts are getting classified as inoperative accounts by virtue

of the above definition and does not actually indicate that these accounts remain unclaimed. This is evident from the quantum of settlements that are being made each year from the inoperative accounts.

4. The total inoperative accounts and amounts therein as of 31st March of a Financial Year are given below in Table 1:

Table-1

Year	Total no. of Inoperative Accounts	Total Amount therein (In Rs. Crore)
2021-22	13,41,848	4962.70
2022-23	17,44,518	6804.88
2023-24	21,55,387	8,505.23

Source: Balance Sheet

5. The total amount paid out of inoperative accounts during the last 03 years is as under:

Table-2

Year	Amount settled from Inoperative Account (In Rs. Crore)
2021-22	2,269.75
2022-23	2,673.97
2023-24	2,632.29 (Un-audited)

Source: Balance Sheet

6. The age-wise classification of inoperative accounts as well as the total amount therein as on 24.03.2025 is indicated as below:

Table-3

Period that had elapsed after becoming Inoperative	No. of inoperative accounts	Total Amount (In Rs Crore)
Above 20 years	6,91,857	1,012.66

Above 15 upto 20 years	16,033	35.30
Above 10 upto 15 years	1,47,416	292.57
Above 5 upto 10 years	12,15,556	3,517.64
Above 3 upto 5 years	6,00,059	2,346.67
<= 3 years	5,16,154	3,710.05
TOTAL	31,87,075	10,914.91

7. The amount-wise classification of these accounts is as below:

Table-4

Member Balance (In Rs.)	No of inoperative accounts	Amount therein (In Rs. Crore)
0 to 50000	29,43,896	2,123.04
50000 to 1 lakh	1,22,114	850.34
1 lakh to 5 lakhs	95,909	1,902.43
5 lakhs to 10 lakhs	11,409	798.70
Above 10 lakhs	13,747	5,240.37
Total	31,87,075	10,914.91

8. As on 31st March, 2024, there were 21,55,387 Inoperative Accounts accumulating Rs. 8,505.23 Crores as per the unaudited Balance Sheet for FY 2023-24.

The top five regional offices with the highest number of inoperative accounts are listed below:

Table-5

Sl. No	Zonal Office	Regional Office	No. of Inoperative accounts	Balance (In Rs. crores)
1	Delhi, Uttarakhand & Jammu	Delhi (North)	1,09,484	240.40
2	Tamil Nadu (Excluding Chennai)	Coimbatore	87,449	156.83

3	Bengaluru (Bengaluru)	Bengaluru (Koramangala)	84,775	160.22
4	WB, A&N Islands & Sikkim (Kolkata)	Park Street	64,003	165.27
5	Chennai & Puducherry (Chennai)	Chennai (South)	63,555	207.68

The regional offices with the lowest number of inoperative accounts are listed below:

Table-6

Sl. No	Zonal Office	Regional Office	No. of Inoperative accounts	Balance (In Rs. crores)
1	Delhi, Uttarakhand & Jammu	Ladakh (Leh)	62	0.06
2	WB, A&N Islands & Sikkim (Kolkata)	Port Blair	749	3.19
3	Telangana (Hyderabad)	Siddipet	805	1.88
4	Delhi, Uttarakhand & Jammu	Srinagar	926	8.16
5	Wb, A&N Islands & Sikkim (Kolkata)	Darjeeling	1,393	3.81

9. With a view to develop a comprehensive strategy to liquidate the inoperative accounts duly identifying & verifying the related beneficiaries of such Accounts, a task Force has since been constituted by the CPFC. The task force is actively examining the issue and their preliminary findings are as below: -

- i. Segregation of the Inoperative accounts based on KYC complaint status categorizing KYC compliant accounts as Low Risk and Non-KYC compliant accounts as High Risk and also based on member's age, account's age, amount, history of Claims/Withdrawals/Transfer-in, Nomination Status and availability of data fields specifically Name and DOB, etc. needs to be considered.
- ii. Verification of the status of such members where at least one settlement has been made from the Employer and also from the Bank to which the final proceeds have been credited shall be desirable.

- iii. It would be worthwhile to run a campaign to sensitize active members for transferring of their old accounts through member portal to get complete benefits for EDLI & others.
- iv. It is felt necessary to map inoperative accounts with an operative account wherein Name and DOB are matching in both accounts. Such an account may be made visible to the operative account member and the member may be suggested to initiate the transfer of the Inoperative Account after duly complying with the KYC requirements and other verifications.
- v. It was recognized that for effective formation of policy, it is imperative to have a robust database of such accounts and accordingly; data with specified details is being collected.
- vi. It was also felt that the total number of inoperative accounts should be segregated after ageing analysis into two broad categories:
 - a) One, pertaining to those accounts that have turned inoperative long back.
 - b) Two, those accounts which have been turned inoperative in the recent past.

For the former, a facility to search, authenticate and claim by the members is being considered like the UDGAM facility of RBI. For the latter, active persuasion of the member through field office and public outreach programs to be considered.

The final report of the committee is awaited.

10. The Zonal as well as the Regional Office-wise breakup of the inoperative accounts is being analyzed to identify the geo-locations, where the inoperative accounts are comparatively higher to run a focused campaign.

11. Members having such inoperative accounts are to be nudged to get their inoperative accounts transferred to their present account or get it settled so as to avoid further loss of interest. In this regard, publicity campaigns through social media live sessions, creatives, videos, SMS alerts, etc. are being suggested.

12. The Zonal office wise data of inoperative accounts is attached herewith as “Annexure-A”

Proposal : The agenda is being placed before EC, CBT for kind information please.

Sl. No.	Zonal Office	No. of Inoperative accounts	Amount lying in Inoperative accounts (In Rs. Crore)
1	Delhi, Uttarakhand & Jammu	2,84,075	1,149.63
2	Tamil Nadu(Excluding Chennai)	2,58,817	391.80
3	Chennai & Puducherry (Chennai)	2,57,264	719.09
4	Bengaluru (Bengaluru)	2,30,130	1,006.44
5	WB, A&N Islands & Sikkim (Kolkata)	2,25,378	554.56
6	Maharashtra(Excluding Mumbai)(Pune)	2,23,618	752.37
7	Gujarat (Ahmedabad)	2,10,992	578.93
8	Uttar Pradesh	1,77,105	644.90
9	Mumbai-2 (Thane)	1,57,363	831.70
10	Telangana (Hyderabad)	1,44,265	562.68
11	Mumbai-1 (Bandra)	1,33,431	966.30
12	Madhya Pradesh & Chattisgarh (Bhopal)	1,16,052	341.78
13	Haryana	1,15,097	582.92
14	Kerala & Lakshadweep (Thiruvananthapuram)	1,11,905	207.55
15	Punjab & Himachal Pradesh	1,04,261	271.31
16	Karnataka (Other Than Bengaluru) & Goa (Hubli)	96,921	259.76
17	Bihar & Jharkhand(Patna)	91,462	265.76
18	Andhra Pradesh (Vijaywada)	78,587	223.54
19	Orissa (Bhubaneswar)	74,740	250.50
20	Rajasthan	72,402	267.94
21	North-Eastern Region (Guwahati)	23,210	85.44
Total		31,87,075	10,914.91

Item No. 4 : Status Note on progress in “Simplification of Settlement of Claims”

The Ministry of Labour & Employment, vide order dated 30.12.2024, constituted a cross-functional Committee chaired by JS&FA, Ministry of Labour & Employment, with members from EPFO, CDAC, SBI, and NPCI, to recommend measures for simplifying claim validation processes.

Guided by the vision of EPFO 3.0, which aims for real-time fund access and instant credit, the Committee proposed a digital facility for real-time settlement of PF claims via the BHIM app, leveraging the UPI platform.

Initially, the facility will support the following claim types, each capped at ₹1 lakh per transaction:

- (a) Form 19 – Final PF Settlement
- (b) Form 31 – PF Advance
- (c) Form 10C – Pension Withdrawal Benefit

The Committee finalized the Functional Specifications Document, API specifications for integration between CDAC, NPCI, and SBI, and proposed implementation timelines. EPFO has taken action to implement the recommendations.

CDAC has submitted a commercial proposal for API development, which has been approved by the competent authority. The work order issued to CDAC and accordingly CDAC has commenced the development.

NPCI and SBI have been formally requested to begin integration. The solution's deployment is aligned with the production rollout of CITES 2.01, currently under development.

All simplified validations as suggested by the Committee would be incorporated as global validations for CITES 2.01 as well as BHIM app & any other modes of claim receipt.

Proposal : The status of progress in Simplification of Settlement of Claims is submitted before Executive Committee, CBT for Information.

Item No. 5 : Progress in Implementation of CITES 2.01

Current IT Landscape EPFO- 2.0

EPFO has been providing online services to its stakeholders i.e. EPF members, Employers and Pensioners through two mission critical applications, viz. 'Unified Portal' (developed & maintained by CDAC since 2016-17) and 'Field Office Application' (FO APP developed by NIC in 2010 working on decentralized pluggable databases), collectively referred to as EPFO 2.0.

C-DAC is technical partner of EPFO since 2014 for development & maintenance of Unified Portal & is providing consultation for IT Infra specifications, sizing & architecture.

Objectives of EPFO 2.01 CITES Project

'Field Office Application' processes (Claims- EPF, EDLI & Pension, annual EPF accounting & payments) are being redeveloped with addition of new features & functionalities on a centralized database to be hosted on FO Interface of Unified Portal along with upgrade of hardware and OS as EPFO 2.01 or Centralised IT Enabled System (CITES).

Hence the project envisages following actions/developments on part of CDAC:

- i. Infra including security devices & controls, next-gen firewalls, installation as per sizing & recommendation of CDAC and migration of Unified Portal databases & three Interfaces of Unified Portal Application to the new hardware and OS
- ii. Migration of members, pensioners, & transactional data from pluggable databases of FO APP & database of Unified Portal to a centralized database.
- iii. Development of six software modules to work on a centralized database to replace the modules presently on FO App working on decentralized database with quality control through UAT, VAPT/Security Audit & performance testing
- iv. Project not being a de-novo project, the as is services are to be continued.

Progress till date

The current status of the CITES 2.01 implementation is as follows:

I. IT Infrastructure setup:

Hardware, system software & security solutions delivered at DC, DR, and NDC.

A new Production and Staging / UAT ecosystem set up.

In DC, DR & NDC all hardware components have been configured.

Only Web Application Firewall at DC & DR & NextGen Firewall at NDC is to be deployed.

System software setup across DC, NDC, and DR includes RedHat OpenShift, Oracle 19c, and security solutions such as PAM, SIEM, SOAR, DAM, and server security tools.

IMPACT:

- Compliance to cyber security mandate of MeitY.
- Production as well as UAT is now on latest upgraded hardware, OS & database.
- Pre-requisite for testing.

Migration of Unified Portal databases & Interfaces of Unified Portal Application

Existing Unified portal, which is to host the CITES software modules successfully migrated to the new production environment and is running on Oracle 19c.

Stack upgrade to OpenShift is being taken in a phased manner

- i. completed for the member Interface after testing on UAT
- ii. Testing of Employer Interface & FO interface on upgraded stack in UAT in progress.

IMPACT / Outcome:

OEM support for latest security patches and other upgrades.

Pre-requisite for CITES software deployment achieved.

After upgrading the unified portal's database to Oracle 19c, there has been a noticeable improvement in enhanced performance and workload management reflected through rise in transactions, user activity, better caching, and SQL parsing indicates, while the increase in block changes suggests more frequent database updates.

Challenges:

Major upgrade activities have been delayed due to non-availability of downtime between 10th to 24th of every month since being:

- a. peak period of submission of ECRs (10th to 15th) and
- b. settlement of Claims (15th to 24th)

Compatibility issue has been occurred during upgradation of Oracle Database from 12c to 19c.

Compatibility issue has been occurred during migration of Member Portal to an upgraded environment i.e. JBOSS 6.4 to JBOSS 7.4 (update 8).

II. Data Migration

- More than 127 crore records across all the modules are to be migrated from source to target database as part of this exercise and in the first iteration, around 2.7 Crore records (around 2%) of the data has been pushed to exception table
- The data pertain to personal attributes, membership particulars and financial transactions of members, pensioners and establishments.
- Multiple versions of Data mapping documents were submitted by CDAC from Oct.'2024 onward and that for pension claims submitted on 28.02.25.
- On advice of C-DAC, Oracle data migration tools & Consulting for data migration activities was obtained
- Development of scripts have been completed for all the non-pension modules after multiple iterations due to change in the mapping document and design impact.
- For pension module, development of scripts is initiated. However, once the module itself is delivered, there may be further iterations.
- Data from all 123 databases of FO and Unified portal database are migrated to the staging environment for data migration activities which is in sync with the live production data.
- After transformation, data will be pushed to UAT for multiple validation & verification.
- Module wise EPFO technical team are examining the migrated data in Staging for accuracy and completeness as well as to analyse and resolve the exception cases.
- Oracle and CDAC team are also evaluating data to identify anomalies and resolve them. For every change identified, CDAC is incorporating the same in the Mapping document.
- Cutover Strategy for final data migration is under finalization.

Challenges:

- There have been multi & substantial changes in mapping documents as data issues were observed in UAT, as well as changes in database design leading to changes in data migration scripts and data loading.
- Resolution of few bugs identified in UAT by CDAC Application teams took time which delayed the finalization of data migration scripts.
- Similar challenges may crop up once the Pension module goes under UAT.

III. Software Module Development by C-DAC, UAT & VAPT

Sl.	Module	Developed	UAT	VAPT	Deployed
1	Surrender of Exemption & transfer of past accumulation	Yes	Yes	Yes	Yes
2	Centralized Payments				
(i)	Pension	Yes	Yes	Yes	Yes
(ii)	Non-Pension	Ongoing			
3	User Management	Yes	Yes	Ongoing	
4	Re-engineered ECR	Yes	Yes	Ongoing	
5	EPF & EDLI Claims & Annual Accts	Yes	Ongoing		
6	Pension Claims	Expected by 10.04.25			

- Currently, CDAC team is in process of configuring the User Management module to enable all the users and offices are seamlessly onboarded
- User Management Module and ECR module is planned to go live after existing unified portal employer interface and Field office interface are deployed on the upgraded stack for one ECR cycle. Tentative date for Go-Live is in end of April.
- Annual Accounting module is undergoing changes to incorporate interest calculation till authorization date, and establishment wise accounting.
- Claims module has also been deployed in the UAT environment. However, the CDAC team is currently validating the functionalities for completion of UAT.

Challenges:

EPFO being a dynamic eco-system any delay in development results in adding, amending to developments to incorporate new changes either to cater to better user experience or address the changes in processes.

The change requirements, data issues and identification of bugs during UAT makes the development cycle also iterative causing deployment of new WAR application after addressing the bugs.

IV. User Acceptance Testing (UAT)

User Acceptance Testing (UAT) process follows an iterative approach, comprising multiple stages: Initial UAT Execution, Bug Identification, Fixes & Enhancements, Redeployment (release of a new application version for testing), Re-testing & Validation, and repetition of the cycle until the application meets all requirements and is ready for production.

UAT has been initiated in an environment that closely replicates the actual production setup to ensure accurate testing.

The current status of UAT, as reported by the Vendor team and EPFO technical team, is as follows:

Sl.	Module	No of Bugs identified & resolved
1	User Management Module	630
2	Re-engineered ECR	177
3	Annual Accounting Module	60

UAT for the Re-engineered ECR Module, using actual data, is nearly complete, with only a few minor bugs remaining, which are being addressed by CDAC.

UAT for the Annual Accounting Module is ongoing, with 60 bugs already identified and resolved by CDAC.

An internal UAT team, comprising EPFO officials and staff, will also conduct independent testing before the planned go-live.

UAT for the Claims Module (including the Pension Claims Module) and regression testing for the entire CITES application is expected to be completed by May 15

Challenges

Completion of UAT for the Claims Module is delayed as CDAC is resolving issues related to migrated data on UAT.

In case high number of bugs is identified in Pension and Non-pension claims module, the UAT process may take longer time delaying regression testing and launch.

It has been informed to CDAC to complete unit testing before deploying the application in the testing environment to minimise the UAT duration.

V. Security/Vulnerability Assessment and Penetration Testing (VAPT)

- Security and vulnerability testing has been initiated for User Management and ECR modules by Airtel.
- Once UAT for rest of modules are completed, VAPT for those modules shall be undertaken.

Proposal : The progress on implementation of CITES Project is submitted before the Executive Committee, CBT for information.

Item No. 6 : Status Note on Hon'ble Supreme Court Judgement dated 04.11.2022 regarding Pension on Higher Wages

The status about the directions and timelines contained in the Hon'ble Supreme Court of India judgement dated 04.11.2022 in SLP(C.) 8658-8659 / 2019 Employees' Provident Funds Organisation & ors. Vs. Sunil Kumar B & ors. and associated matters and consequent actions taken by EPFO were placed before EC in its 110th meeting held on 16.12.2024, 111th meeting held on 18.01.2025 & 112th meeting held on 25.02.2025.

The updated status in the matter is presented below:

2. Steps taken to finalize the processing of applications

- Field Offices have been allowed to hire **Two (2)** DEOs per **5,000** applications or part thereof. Field Offices have also been advised to hire retired officers/ employees for this work as per the guidelines.
- ACC (Zones) have been advised to divert manpower (well versed with PoHW work) from other offices having low pendency as well as from other sections within the offices to meet the timeline.
- Regular **Video Conferences** held with the Zonal Offices and the Zonal Offices are also conducting daily review.
- The progress is also being monitored at the level of CPFC who reviewed offices on **17.03.2025** having more than **4,000** pending Joint options.
- All Field Offices have been advised to prioritize issuance of PPOs to the already retired applicants and issuance of Demand Letters in all other cases.
- Offices have also been advised to cautiously handle litigations arising in the matter.

3. The series of actions outlined above have resulted in increase in the rate of disposal of cases by the Field Offices. The comparative status of disposal of Pension on Higher Wages as on 24.03.2025 is as below:

S. No.	A	Status as reported in 112 th EC held on 25.02.2025			Status as on 24.03.2025			Progress	Progress (%age)
		Applicat ion for Validati on of Option	Joint Option	Total	Applicat ion for Validati on of Option	Joint Option	Total		
B	C	D	E	F	G	H	I		

1	Total Applications	4.1 lakh	13.39 lakh	17.49 lakh	4.1 lakh	13.39 lakh	17.49 lakh	Fixed	Fixed
2	Applications not forwarded by employers	1.14 lakh	1.10 lakh	2.24 lakh	1.14 lakh	1.10 lakh	2.24 lakh	Fixed	Fixed
3	Applications referred back to employers for complete information	45,858	3.46 lakh	3.92 lakh	19,675	1.25 lakh	1.45 lakh	- 2.47lakh	63 %
4	Applications under examination in EPFO	21,090	1.92 lakh	2.14 lakh	584	1.13 lakh	1.14 lakh	- 1 lakh	46.72 %
5	Demand Letters issued	103	2,19,155	2,19,258	508	3,06,735	3,07,243	+87,985	40 %
6	Total No. of Members / Pensioners who have deposited the demand amount	9	74,811	74,820	39	95,741	95,780	+ 20,960	28 %
7	Members who have deposited the demand amount and continuing in service	0	41,285	41,285	NA	45,899	45,899	+ 4,614	11.1 %
8	Already retired Members/ Pensioners who have deposited the demand amount	9	33,526	33,535	39	49,842	49,881	+ 16,346	48.7 %
9	Pension Payment Orders Issued	5	24,001	24,006	32	30,290	30,322	+ 6,316	26.31 %
10	Pension Payment Orders under finalization	4	9,525	9,529	7	19,552	19,559	+ 10,030	105 %

11	Ineligible Applications	2.30 lakh	5.05 lakh	7.35 lakh	2.75 lakh	6.83 lakh	9.58 lakh	+ 2.23 lakh	30.34 %
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* Zone Wise breakup is attached as Annexure–A

4. Reasons for referring to employers and rejections of cases:

During the last meeting of the Executive Committee, it had been advised to ascertain the reasons for which applications are being referred to employers as well as the reasons for rejection and report the same to the Committee. The reasons were sought from field offices and the reasons reported are as follows.

4.1 The reasons for referring the applications to employers include differences in basic details in application and office records. That apart missing wage details, NCP days and clarifications on non-payment of contributions on higher wages and provisions of exempted trust rules were the other reasons.

4.2 The significant reasons for rejection of applications reported by the field offices included ineligibility as per the Supreme Court judgement dated 04.11.2022 particularly in respect of persons who had retired prior to 01.09.2014 without exercising option; clauses in exempted trust rules restricting contribution on higher wages; non-remittance of demand raised; non-remittance of contribution on higher wages for entire period of employment; and, non-production of records required for processing of application. Several applications were also rejected at the request of the employees who wanted to opt out.

5. Segregated data of employers who were yet to forward applications

During the last Executive Committee meeting, it was also directed to present the break-up of applications not forwarded by employers by the employment strength of the employers. The information is as under:

Application for Validation of Option							
Applications not forwarded by the employers	No. of establishments involved	No. of establishments under such category (in terms of no. of pending applications)					
		0-50	50-100	100-500	500-1000	1000-5000	More than 5000
1,14,472	12,146	11,812	169	146	16	2	1

Joint Option							
Applications not forwarded by the employers	No. of establishments involved	No. of establishments under such category (in terms of no. of pending applications)					
		0-50	50-100	100-500	500-1000	1000-5000	More than 5000
1,10,204	23,995	23,671	193	129	2	0	0

5.1 As can be observed, the majority of the pending applications are with smaller employers in the 0-50 employment strength category. Efforts had been made by the Field offices to contact them and assist them in any manner possible to forward the application. Regular messages were sent to the employers and applicants vide SMS and mails during the extended timeline to forward the applications.

5.2 It may be mentioned that consequent to the extension of the timeline for forwarding to 31.01.2025 an additional 80,000 applications had been forwarded by the employers. At present, there is no further proposal for extension of this timeline as enough opportunities have been accorded. The remaining applications would now be rejected in due course.

5.3 Among the reasons for not forwarding of applications by employer it has been reported by the Field offices that the reasons included non-availability of records; closure of establishments, remittance of contributions on ceiling only, withdrawal of option by applicant and exempted trust rules not permitting contribution on higher wages

7. Handling Impact of Legal Cases

As the pace of disposal of cases is picking up, a number of legal challenges are also cropping up. A brief of a few cases that have recently come up are as under:

Sl. No	Subject	Court	Brief	No: of petitioners	Present status
1	Eligibility of members who have already retired prior to 01.09.2014	High Court of Punjab & Haryana	A recent order of the Hon'ble High Court of Chandigarh in WP 5378/2024 opened up a new issue on the eligibility of members who have already retired prior to 01.09.2014	37	Reply has been filed

			without exercising option which is being challenged by the department.		
2	Calculation of Higher pension on pro-rata basis	Kerala and Delhi High Court	The calculation of pension on pro rata basis has been challenged in the High Court of Kerala and Delhi. These cases are being challenged by EPFO in the appropriate courts.	23	Reply has been filed
3	To adjust PF amount without claiming any interest and penalties of any kind	Hon'ble SCDRC	The Learned SCDRC in a CC No. 79 of 2024 has directed to revise and release the pension, after adjusting the amount of PF, even when the complainants had already withdrawn the PF amount and also directed not to demand and charge any kind of interest on the amount to be adjusted, while revising the pension. Legal advice has been sought in this matter.	03	Legal opinion is solicited

8. Analysis of cases of Exempted Establishments

As per the data collected from the Field Offices in approximately **65%** of cases received from Exempted Establishments there is a specific bar on contribution above wage ceiling in the Trust Rules. Further, approximately **70%** cases received from Exempted Establishments pertain to PSUs.

Further, there was the specific matters related to M/s. RINL and Vizag Steel Plant that were raised in the last Executive Committee meeting. In respect of these cases, it is stated that initially these cases were being rejected by the concerned field office, but the matter was reviewed in the context of their respective trust rules and these cases are now being processed.

As per the information provided by the Regional Office, out of **10,509** applications, **9,143** demand letters have been issued and approx. **100** cases are under process. Approx **1,000** cases which were rejected by the Field office are in-process of re-opening.

9. Actuarial Impact

It had been reported earlier that an actuarial evaluation with sample data of around **38,000** applicants for Pension on Higher Wages had revealed a deficit of around **Rs. 9,500 crores** i.e. approximately **Rs.25 lakh per person**. Further, an initial estimate had also suggested that **Rs 1,86,920 crores** will be the impact if **50%** of the Joint Option (post 2014 cases) applications converted to pension on PoHW.

Subsequently, the data of actual **1.95 lakh PoHW cases** (pensioners/active members) where demand letters have been issued was provided to M/s. K.A. Pandit, consultant actuary who has been appointed for actuarial valuation of PoHW cases specifically. The preliminary report of the actuary points to a deficit of approximately **₹36,500 crores**. This implies an average actuarial deficit **per PoHW case of approximately Rs. 22.5 Lakh**.

10. Strategy and Way Ahead

Following regular follow up and reviews conducted, the disposal rate has picked up and it is expected that almost all the applications will be disposed of by **31.03.2025**. Since the last meeting of EC held on **25.02.2025** the total disposal has increased by **32.5%**. The details of the progress achieved are as follows:

Disposal Type	Position as reported in 112 th EC held on 25.02.2025	Position as on 24.03.2025	Progress	Progress %age
Demand Letter Issued (A)	2,19,258	3,07,243	+87,985	40%
Cases Rejected (B)	7,35,371	9,58,021	+2,22,650	30.3%
Total disposal (A + B)	9,54,629	12,65,264	+3,10,635	32.5%
PPO Issued	24,006	30,322	+6,316	26.31%

Proposal : **Agenda is submitted for kind information and further directions, if any**

Annexure A

Zone Wise disposal of Applications for Validation of Option as on 24.03.2025					
Zonal Office	Total No. of Applications Received in FO	No. of Rejected	No. of Demand letters	Number of cases finalized (Demand letters + Rejected)	Finalization %
BENGALURU (BENGALURU)	18,338	18,326	1	18,327	99.94%
WB, A&N ISLANDS & SIKKIM (KOLKATA)	6,101	6,087	0	6,087	99.77%
HARYANA	5,086	5,068	0	5,068	99.65%
MUMBAI-1 (BANDRA)	11,238	11,114	0	11,114	98.90%
KARNATAKA (OTHER THAN BENGALURU) & GOA (HUBLI)	13,880	13,717	0	13,717	98.83%
DELHI, UTTARAKHAND & JAMMU	14,605	14,396	0	14,396	98.57%
GUJARAT (AHMEDABAD)	23,763	23,385	0	23,385	98.41%
TAMIL NADU(EXCLUDING CHENNAI)	24,396	24,001	0	24,001	98.38%
ANDHRA PRADESH (VIJAYWADA)	9,264	8,629	430	9,059	97.79%
UTTAR PRADESH	16,081	15,536	0	15,536	96.61%
NORTH-EASTERN REGION (GUWAHATI)	942	879	18	897	95.22%
RAJASTHAN	11,046	10,456	29	10,485	94.92%
CHENNAI & PUDUCHERRY (CHENNAI)	23,713	22,496	1	22,497	94.87%
MUMBAI-2 (THANE)	8,178	7,666	0	7,666	93.74%
ORISSA (BHUBANESWAR)	7,723	7,084	11	7,095	91.87%
TELANGANA (HYDERABAD)	29,396	26,845	0	26,845	91.32%
MAHARASHTRA(EXCLUDING MUMBAI)(PUNE)	38,627	34,290	0	34,290	88.77%
KERALA & LAKSHADWEEP (THIRUVANANTHAPURAM)	8,950	7,773	11	7,784	86.97%
BIHAR & JHARKHAND(PATNA)	2,457	2,038	0	2,038	82.95%
MADHYA PRADESH & CHATTISGARH (BHOPAL)	13,915	10,181	7	10,188	73.22%
PUNJAB & HIMACHAL PRADESH	7,870	4,837	0	4,837	61.46%
GRAND TOTAL	2,95,569	2,74,804	508	2,75,312	93.15%

Zone Wise disposal of Joint Options as on 24.03.2025					
Zonal Office	Total No. of Applications Received in FO	No. of Rejected	No. of Demand letters	Number of cases finalized (Demand letters + Rejected)	Finalization %
NORTH-EASTERN REGION (GUWAHATI)	9,985	3,156	6,124	9,280	92.94%
KARNATAKA (OTHER THAN BENGALURU) & GOA (HUBLI)	77,819	62,820	9,077	71,897	92.39%
BENGALURU (BENGALURU)	90,967	76,219	7,588	83,807	92.13%
GUJARAT (AHMEDABAD)	73,076	64,404	2,739	67,143	91.88%
MUMBAI-1 (BANDRA)	1,15,203	1,00,917	2,148	1,03,065	89.46%
TAMIL NADU(EXCLUDING CHENNAI)	52,706	29,569	16,173	45,742	86.79%
HARYANA	26,654	12,467	10,435	22,902	85.92%
ORISSA (BHUBANESWAR)	41,510	16,844	18,396	35,240	84.90%
UTTAR PRADESH	49,113	26,907	14,513	41,420	84.34%
ANDHRA PRADESH (VIJAYWADA)	47,535	19,109	20,944	40,053	84.26%
BIHAR & JHARKHAND(PATNA)	27,486	13,059	10,048	23,107	84.07%
MADHYA PRADESH & CHATTISGARH (BHOPAL)	53,690	28,601	16,534	45,135	84.07%
RAJASTHAN	27,738	16,405	6,127	22,532	81.23%
CHENNAI & PUDUCHERRY (CHENNAI)	48,299	34,404	4,062	38,466	79.64%
TELANGANA (HYDERABAD)	1,35,920	28,529	79,464	1,07,993	79.45%
MAHARASHTRA(EXCLUDING MUMBAI)(PUNE)	87,677	64,385	1,978	66,363	75.69%
WB, A&N ISLANDS & SIKKIM (KOLKATA)	51,751	18,970	19,817	38,787	74.95%
PUNJAB & HIMACHAL PRADESH	37,075	6,010	19,462	25,472	68.70%
MUMBAI-2 (THANE)	20,806	11,962	1,527	13,489	64.83%
DELHI, UTTARAKHAND & JAMMU	80,811	37,355	14,294	51,649	63.91%
KERALA & LAKSHADWEEP (THIRUVANANTHAPURAM)	72,712	11,125	25,285	36,410	50.07%
GRAND TOTAL	12,28,533	6,83,217	3,06,735	9,89,952	80.58%

Applications Received:

Application for validation of Options submitted by applicants till 11.07.2023 (i.e. 4,10,039) (Refer Cell 1B of table at Para 3 above)	
No of applications of exempted establishment*	No of applications of un-exempted establishment
1,92,208	2,17,831

Joint Options submitted by applicants till 11.07.2023 (i.e. 13,38,729) (Refer Cell 1C of table at Para 3 above)			
Year in which members will retire / retired	No. of applications of Exempted estt.*	No. of applications of Un-exempted estt.	Total
prior to 01.04.2024	3,34,863	2,83,070	6,17,933
01.04.2024 - 31.03.2025	25,956	21,524	47,480
01.04.2025 onwards	3,60,855	3,12,461	6,73,316
Total	7,21,674	6,17,055	13,38,729

Item No. 7 : Action Taken Statement in respect of decisions/directions of Executive Committee held upto 25.02.2025 (112th EC meeting)

S. No	Decisions/Directions of EC	Action Taken
1	<p>The Chairperson directed that CPFC will hold regular review meetings with IIT Delhi and provide updated status in the next EC, including the timeline and status of the work done. Since this is HR related work, IIT Delhi should have regular meetings with the HR Division, EPFO, and HR Subcommittee to share and discuss their findings.</p> <p>(Item No. 2; 110th EC: 16.12.2024) (Item No.8(1); 112th EC: 25.02.2025)</p>	<p>A meeting with IIT Delhi Team and CPFC was held on 04.03.2025.</p> <p>CPFC directed IIT Delhi to extend the study to include work studies on other key functional areas, which the interim report was lacking. Further, he instructed that the Internal Committee for CR may collaborate with the IIT Delhi team to finalize the report.</p>
2	<p>Information agenda regarding expeditious disposal of Court Cases w.r.t. EPFO</p> <p>JS (L&E) suggested that effectiveness of first Appellate Authority may be examined in similar government institutions. Additionally, he recommended examining the reasons behind court cases to identify possible changes to the scheme.</p> <p>CPFC said that resolution approach to pending court cases other than 14B cases will be examined and would be placed before the next EC.</p> <p>(Item No. 3; 111th EC: 18.01.2025) (Item No.8(2); 112th EC: 25.02.2025)</p>	<ol style="list-style-type: none"> 1. As per directions of HLEM for reduction of litigation in EPFO. A committee was constituted vide order dated 24-01-2025 with four groups, to focus on Consumer Courts, High Courts, Supreme Courts, and Lower Courts to analyze the causes of cases pending at different judicial forums and suggest measures to reduce the volume of litigation. 2. The reports of the two groups (Consumer Courts and Prosecution Cases) have been received and is under examination. Copy of the reports is enclosed as Annexure-A & B 3. The groups have examined the cause of litigation and submitted various suggestions for resolution. 4. Once the report of the remaining groups is received, a comprehensive analysis will be done examining the cause of litigation and measures for their resolution and the shall be presented before EC.
3	<p>Information agenda regarding expeditious disposal of Court Cases w.r.t. EPFO</p> <p>The Chairperson directed that 2 to 3 EC members be added to the existing committee to take a comprehensive approach to the issue which may include</p>	

	<p>identifying reasons for the significant increase in cases during the year, provisions for appellate authority, and preparing a SOP for timely disposal, recovery, and credit of demand related to 14B proceedings.</p> <p>The Chairperson directed to consider the proposed amnesty scheme while deliberating upon various issues related to court cases. The Chairperson further added that the committee should also suggest options for virtual proceedings and submit its report before the next EC meeting.</p> <p>(Item No. 3; 111th EC: 18.01.2025) (Item No.8(3); 112th EC: 25.02.2025)</p>	
4	<p>Progress in Implementation of CITES 2.01</p> <p>The Chairperson directed that the module for re-engineered ECR returns be developed to ensure the smooth implementation of the ELI Scheme.</p> <p>The Chairperson also directed that a feedback system for all the stakeholders should be put in place to track and address any grievances raised while implementing project 2.01.</p> <p>(Item No.4; 111th EC: 18.01.2025) (Item No.8(4); 112th EC: 25.02.2025)</p>	<p>The re-engineered ECR has been developed, UAT testing is completed, VAPT process initiated. Provision has been made for implementation of Part A of ELI Scheme.</p> <p>Strategy Teams have been constituted for stakeholders consultation at time of pre-launch testing and feedback; proper strategy for communication, publicity as well as for hand-holding the employers post launch.</p>
5	<p>Progress in Implementation of CITES 2.01</p> <p>In response to a query from Shri Hiranmay Pandya, the Chairperson assured that, in line with HLEM directions, a proposal to introduce ATM card facilities for claim withdrawals will be presented at the next EC meeting.</p> <p>(Item No. 4; 111th EC: 18.01.2025) (Item No.8(7); 112th EC: 25.02.2025)</p>	<p>The Ministry of Labour & Employment, vide order dated 30.12.2024, constituted a five-member cross-functional committee chaired by JS&FA, MoLE, with members from EPFO, CDAC, SBI, and NPCI, to recommend measures for simplifying claim validation processes. Guided by the vision of EPFO 3.0, which aims for realtime fund access and instant credit, the committee proposed a digital facility for real-time settlement of PF claims via</p>

		<p>the BHIM app, leveraging the UPI platform.</p> <p>Initially, the facility will support the following claim types, each capped at ₹1 lakh per transaction:</p> <ol style="list-style-type: none"> 1. Form 19 – Final PF Settlement 2. Form 31 – PF Advance 3. Form 10C – Pension Withdrawal Benefit <p>The committee finalized the Functional Specifications Document, API specifications for integration between CDAC, NPCI, and SBI, and proposed implementation timelines. EPFO has accepted the recommendations in toto.</p> <p>Progress So Far:</p> <p>CDAC submitted a commercial proposal for API development, which was duly approved by the competent authority. Following this, a formal work order was issued to CDAC on 21st March 2025, and CDAC has since commenced the development process.</p> <p>NPCI and SBI have also been formally requested to begin the necessary system integration work at their end.</p> <p>The solution's deployment will be planned after the production rollout of CITES 2.01, currently under development/testing.</p>
6	<p>The Chairperson also enquired about the pending applications and deposited amount in case of RINL (Rashtriya Ispat Nigam Limited), Vijag Steel and Bhilai Steel. It was directed that a meeting at the Head Office level be scheduled with</p>	<p>An Agenda Item is being placed in 113th EC.</p>

	<p>these establishments to expedite the resolution of the pending matters and their grievances.</p> <p>(Item No. 5; 111th EC: 18.01.2025) (Item No. 8(10); 112th EC: 25.02.2025)</p>	
7	<p>The Chairperson directed to:</p> <p>1. conduct a revised actuarial evaluation taking into account the status of ineligible exempted establishments and the available actual data, and</p> <p>2. work on a proposal to modify EPS'95 Scheme so that pension can be disbursed proportionate to the contribution remitted and the interest accrued and place it in the next EC.</p> <p>(Item No. 5; 111th EC: 18.01.2025) (Item No.8(12); 112th EC: 25.02.2025)</p>	<p>1. It is informed that latest data of members/retirees to whom demand letters are being issued was forwarded to M/s. K.A. Pandit, Actuarial Consultant, PoHW, for valuation. Actuarial consultant has forwarded draft analysis and the same is under examination.</p> <p>2. After the initial concept was presented in the meeting held on 22.12.2024, the HLEM has offered certain suggestions. A proposal is accordingly being drafted based on all the inputs received. The actuary will also be consulted while drafting the proposal.</p> <p>Further consultations with stakeholders from the Ministry of Finance, PFRDA, LIC, Institute of Chartered Accountants, VVGNI are going on. A meeting has been held on 08.01.2025 and draft proposal has been shared with the stakeholders.</p> <p>Another meeting was also held on 11.03.2025, apart from stakeholders from Ministry of Finance, PFRDA, LIC, Institute of Chartered Accountants, VVGNI, the teams associated with providing various pension products including Annuity based pension plans from SBI, ICICI, HDFC Banks have also been participated and the draft proposal has been shared with them.</p>
8	<p>Regularisation of Canteen Employees of EPFO who were directly recruited in the year 2006-07</p> <p>The agenda was deferred with a direction to put up a comprehensive note</p>	<p>A comprehensive note has been sent to the Ministry on 24.02.2025.</p>

	<p>to the Ministry. The comprehensive note may also contain the legal opinion in light of the Hon'ble Supreme Court judgement given in the year 2006 in this matter.</p> <p>(Item No. 6; 111th EC: 18.01.2025) (Item No.8(13); 112th EC: 25.02.2025)</p>	
9	<p>Proposal to review the admissibility of Fixed Medical Allowance to one of the spouses if both are staff pensioners of EPFO or one of them is employee and other is staff pensioner of EPFO</p> <p>The Chairperson directed to again put up for reviewing the admissibility of FMA in case one of the staff is employee and the other staff is pensioner of EPFO in the next EC.</p> <p>(Item No. 7; 111th EC: 18.01.2025) (Item No.8(14); 112th EC: 25.02.2025)</p>	<p>As per approval of EC, circular for admissibility of FMA to one spouse if both are staff pensioners of EPFO has been issued on 25.02.2025.</p>
10	<p>Status of review of Recruitment Rules</p> <p>CPFC informed that a committee of retired officials from other government departments to carry a comprehensive review of the RRs of various cadres of EPFO and preparation of draft RRs has been constituted. The report of the committee will be placed in next meeting of EC.</p> <p>(Item No. 9; 111th EC: 18.01.2025) (Item No.8(15); 112th EC: 25.02.2025)</p>	<p>As per the direction of the Chairperson EC in the 110th EC meeting, a Committee has been formed on 08.01.2025, engaging retired officials from other government departments to bring in expertise in reviewing the Recruitment Rules of EPFO. The committee held 9 meetings till date and submitted its report in respect of various cadres.</p> <p>Also, revised RRs of ISD, Assistant Director (OL) and Senior Translation Officer got approval from MoLE and have been forwarded to UPSC for final approval. Draft RRs of various cadres like JSA, Sr. Secretariat Assistant and Section Officer have been sent to MoLE for approval.</p> <p>The RRs finalized by the committee are under submission.</p>

11	<p>Status Report of the Committee on Delegation of Administrative/ Financial Powers</p> <p>The Executive Committee deferred the agenda, and the Chairperson directed that the status be presented at the next EC meeting. The Chairperson also advised that the Ministry may be consulted on Committee's report and it should be placed in the next Executive Committee.</p> <p>(Item No. 10; 111th EC: 18.01.2025) (Item No.8(16); 112th EC: 25.02.2025)</p>	<p>Committee has submitted its report on Delegation of Financial Powers. The same is being reviewed by HR and IFD of EPFO.</p>
12	<p>Status of Data Sharing Policy formulation and data request handling mechanism in vogue in Employees Provident Fund Organization</p> <p>The Chairperson directed to review the policy and to place the status in the next Executive Committee.</p> <p>(Item No. 13; 111th EC: 18.01.2025) (Item No. 8(18); 112th EC: 25.02.2025)</p>	<p>(i) The draft Data Sharing Policy of EPFO prepared by a committee of senior officers of EPFO was approved by IT Sub-committee and the policy document was placed before the Executive Committee in its 106th meeting held on 15th June, 2023.</p> <p>(ii) The EC after considering the formulations directed for legal vetting of the policy in view of the UIDAI guidelines. The vetting exercise was taken up with MeitY, GOI and vide OM No. DGD/3/2023-DGD dated 29.02.24, inputs on the draft formulations were received from MeitY. The inputs mainly outline the need to align the formulations with Digital Personal Data Protection Act, 2023 (DPDP) and National Data Governance Policy (NDGP) framed by MeitY, GOI. There were other inputs regarding the right of nominee to access data, need to outline clear procedure for breach detection, its assessment and reporting and the collection of personal data to adhere to three criteria established in proportionality test as articulated in case of Justice K S Puttaswamy V UOI [(2017) 10 SCC 1].</p> <p>Committee of senior Officers of EPFO has been revisiting the data sharing</p>

		policy in light of provisions of DPDP, 2023 and NDGP & the ruling of Hon'ble Apex Court in Puttaswamy case in consultation with Legal Counsel. The Rules under said DPDP Act has recently been formulated which is being examined in consultation with Senior Counsel to submit revised formulations. The committee has held meetings on 07.03.2025 and 10.03.2025 for formulations consistent with DPDP Act and suggestions of MeitY.
13	<p>Status Note on Inoperative Accounts</p> <p>The Chairperson mentioned that there are concern of EC members on number of accounts and amounts in Inoperative Accounts and directed to place in the next meeting of EC.</p> <p>(Item No. 14; 111th EC: 18.01.2025) (Item No.8(19); 112th EC: 25.02.2025)</p>	An agenda item has been proposed for 113 th EC.
14	<p>Status Note on Inoperative Accounts</p> <p>JS & FA highlighted the need for a year-wise age analysis of inoperative accounts, including the number of accounts settled and the number of new accounts created annually, to be presented at the next Executive Committee meeting. She emphasized the need of identifying inoperative accounts, which had remained untouched for over 10 to 15 years and could create potential risks of fraud. Additionally, she proposed exploring the possibility of pooling these old inoperative accounts, similar to the approach adopted by the RBI.</p> <p>The Chairperson directed to discuss the issue in the Finance & Audit Committee to examine in details together with age analysis and then place it before Executive Committee.</p> <p>(Item No. 14; 111th EC: 18.01.2025) (Item No.8(20); 112th EC: 25.02.2025)</p>	

15	<p>Classification of grievances and systemic/ process interventions</p> <p>JS & FA raised the issue of same MIDs in case of rejoining of members in the establishment and suggested to discuss the matter with MoL&E.</p> <p>(Item No. 15; 111th EC: 18.01.2025) (Item No.8(21); 112th EC: 25.02.2025)</p>	<p>The issue of members re-joining in the same establishments has been examined. It has been decided that this practice is not desirable and the member re-joining the establishment should not be allotted same Member ID and contributions should not be allowed in the same Member ID.</p> <p>Subsequently, IS Division has been requested to place suitable system validations in place to avoid such instances.</p>
16	<p>Other issues</p> <p>Sh. S.P. Tiwari raised concerns about flaws in third party audit of exempted funds where surrenders are being made by hiding facts in compliance audit, hiding penalties and selling securities on discounted rates leading loss to EPFO and members in many cases in the states of Uttarakhand, West Bengal and Uttar Pradesh. The Chairperson directed to send the details of these cases to CPFC Secretariat and place the updated status in the next EC meeting. (111th EC: 18.01.2025)</p>	<p>An Interim reply has been sent to Sh. S.P. Tiwari, Member of CBT on 10.03.2025. (Annexure-C)</p>
17	<p>Minutes of meetings of the Sub-Committees of the Executive Committee</p> <p>The Chairperson advised that regular meetings of IT Sub-committee should take place for items other than procurements as well.</p> <p>(Item No. 2; 112th EC: 25.02.2025)</p>	<p>The IT Sub-Committee functions as a specialized subcommittee of the EC, to suggest on all matters related to Information Technology aimed at improving service delivery within EPFO. It reviews and evaluates various IT initiatives, monitors the progress of digital transformation projects, and discuss critical areas such as Business Continuity Planning, Disaster Recovery preparedness, and Security Infrastructure.</p> <p>Whenever a new agenda item falling within the scope of the Terms of Reference—such as service delivery enhancement, IT capacity building, or stakeholder communication—is proposed, it is first deliberated by the IT</p>

		<p>Sub-Committee, and its recommendations are then placed before the Executive Committee and the Central Board of Trustees for consideration and approval.</p> <p>The directions are noted.</p>
18	<p>Adoption of the Unified Pension Scheme for EPFO employees</p> <p>JS&FA, MoL&E advised that awareness campaign for choosing option under Rule 10 of NPS Scheme also to be initiated for EPFO employees. Chairperson concurred with the suggestion.</p> <p>The Executive Committee also discussed Para 15 of the notification with respect to transfer of funds from NPS for employees choosing to opt for UPS and regulations of Unified Pension Scheme. JS&FA suggested to schedule a meeting of EPFO with PFRDA on this matter. (Item No.3; 112th EC: 25.02.2025)</p>	<p>The Unified Pension Scheme has been adopted by EPFO in its 112th EC meeting.</p> <p>However, the procedure/guidelines to be followed for the option calling of UPS has not been notified by GoI (PFRDA and Dept. of Financial Services).</p> <p>Once, the guidelines/procedures are notified, the same shall be implemented by EPFO.</p>
19	<p>Status of review of Recruitment Rules</p> <p>The Executive Committee took a note on the status of review of Recruitment Rules by the expert committee with an advisory to complete the review of pending draft RRs by March, 2025.</p> <p>(Item No.4; 112th EC: 25.02.2025)</p>	<p>As per the direction of the Chairperson EC in the 110th EC meeting, a Committee has been formed on 08.01.2025, engaging retired officials from other government departments to bring in expertise in reviewing the Recruitment Rules of EPFO. The committee held 9 meetings till date and submitted its report in respect of various cadres.</p> <p>Also, revised RRs of ISD, Assistant Director (OL) and Senior Translation Officer got approval from MoLE and have been forwarded to UPSC for final approval. Draft RRs of various cadres like JSA, Sr. Secretariat Assistant and Section Officer have been sent to MoLE for approval.</p> <p>The RRs finalized by the committee are under submission.</p>

20	<p>Status Report of the Committee on Delegation of Administrative / Financial Powers</p> <p>The Chairperson also directed that an interactive session with Zonal Offices, with the Ministry and with the EC members on the briefs of Delegation of Administrative/ Financial Powers need to be organized by EPFO.</p> <p>The Executive Committee took note of the status report of the committee on delegation of Administrative / Financial Powers with a remark to EPFO to complete the examination of the report before 20th March, 2025. (Item No.5; 112th EC: 25.02.2025)</p>	<p>Committee has submitted its report on Delegation of Financial Powers. The same is being reviewed by HR and IFD of EPFO.</p>
21	<p>Status Note on Centralized Pension Payments System(CPPS)for disbursing pension through any Bank, any Branch, anywhere in India</p> <p>The Chairperson directed that a detailed plan with timeline to be prepared with respect to the development of software for disbursing pension through Aadhaar enabled bank account.</p> <p>It was directed that a meeting with NPCI and SBI needs to be scheduled to address the pending issues within the timeline as committed to Cabinet Secretariat.</p> <p>(Item No.6; 112th EC: 25.02.2025)</p>	<p>For pension payment in CPPS through NPCI (Account+ IFSC), System Integration Testing (SIT) & USER Acceptance Testing (UAT) is ongoing for final version of software developed by SBI and EPFO. Its deployment will be done after the final phase of testing. After stabilization of Account based payment system, migration to ABPS will be implemented in a phased manner in CITES.</p> <p>A meeting was conducted by Finance Division with SBI wherein it was intimated that SBI will initiate the development for ABPS on bank side after completion and integration of the software for CPPS through NPCI (Account+IFSC). Meeting has also been conducted with NPCI to expedite the identification of pensioners having Aadhar linked bank accounts.</p>
22	<p>Status Note on Hon'ble Supreme Court Judgement dated 04.11.2022 regarding Pension on Higher Wages</p> <p>The Chairperson directed to present segregated data of employers who were yet to forward applications to EPFO and</p>	<p>An Agenda Item is being placed in 113th EC.</p>

	<p>of employers to whom applications were referred back and the reasons thereof. Also it was directed to place the segregated data for the reasons of rejected applications.</p> <p>The Chairperson directed that status report on the applications may be made available to employers and employees on the EPFO web portal.</p> <p>JS, MoL&E suggested to place the actuarial data on PoHW cases and its impact in the next EC meeting.</p> <p>Shri S P Tiwari desired that the zone wise information on the final demand letters issued, rejected cases and total disposal of applications should also be presented.</p> <p>(Item No. 7; 112th EC: 25.02.2025)</p>	
23	<p>The Chairperson conveyed displeasure over the delay in the IIT Delhi report on EPFO manpower restructuring and directed to schedule a meeting with them. Further, if the report was found to be unsatisfactory, penalty provisions may be invoked as per the provisions of ToR.</p> <p>(Item No.8; 112th EC: 25.02.2025)</p>	<p>A meeting with IIT Delhi Team and CPFC was held on 04.03.2025.</p> <p>CPFC directed IIT Delhi to extend the study to include work studies on other key functional areas, which the interim report was lacking. Further, he instructed that the Internal Committee for CR may collaborate with the IIT Delhi team to finalize the report.</p>
24	<p>The Chairperson directed that the classifications of the reasons of 32,000 pending court cases be presented, along with the steps taken to resolve them.</p> <p>(Item No.8; 112th EC: 25.02.2025)</p>	<p>ATR in S.No 2 & 3 above may be referred to.</p>
25	<p>The Chairperson directed that legal and financial vetting of the amnesty scheme should be completed, and the scheme should be presented before CBT. It was directed to present detailed analysis on the litigation cases of 14B orders in favour of / not in favour of EPFO in various courts.</p>	<p>The information agenda for implementation of Alternative Dispute Resolution (ADR) mechanisms as deliberated during the EC meeting was placed before the Central Board on 28-02-2025.</p> <p>It was informed that the legal vetting of the proposed agenda has been done.</p>

	(Item No.8; 112th EC: 25.02.2025)	Further, the financial vetting of the agenda is under process.
26	<p>The Chairperson raised issue on the pending applications on PoHW cases of RINL, Vizag Steel and Bhilai Steel and directed to resolve the issue at the earliest.</p> <p>(Item No.8; 112th EC: 25.02.2025)</p>	An Agenda Item is being placed in 113th EC.
27	<p>The Chairperson directed that age wise analysis of inoperative accounts should be conducted and should be discussed in FAC. The status report should be placed before the EC.</p> <p>(Item No.8; 112th EC: 25.02.2025)</p>	Same as Sl. No. 13-14 above.
28	<p>The Chairperson informed that Centre for Good Governance (CGG), Hyderabad has been assigned to analyse the grievance redress mechanism of EPFO. It was directed that JS, MoL&E and Sh. C. Chakraborty, ACC (HQ), EPFO should have regular meetings with CGG in this regard.</p> <p>(Item No.8; 112th EC: 25.02.2025)</p>	<p>Administrative approval was awarded for the evaluation study of EPFO's Grievance Redressal System on single source nomination basis to Centre for Good Governance on 12.03.2025. Draft agreement in this regard has also been shared with CGG.</p> <p>Ministry Official has verbally informed that a Committee has been formed on 12.03.2025 which will be chaired by JS(SS) to collectively review the progress of work, methodologies, etc on fortnightly basis.</p>
29	<p>The Chairperson also directed to develop an SoP for the third party audit on the exempted establishments and financial audit of the exempted establishment should be conducted before surrender.</p> <p>JS&FA, MoL&E suggested that the EEC should oversee the overall regulatory functions of EPFO and review all SoPs to develop solutions for addressing POI violations, as well as issues related to compliance audits and the surrender or cancellation of exempted establishments.</p> <p>(Item No.8; 112th EC: 25.02.2025)</p>	Form RM-6 (format of Third-Party Audit) has been finalized and circulated on 11.07.2024 (the same is available on website S.No.116 F Y 2024-25)

30	<p>JS&FA, MoL&E also pointed out that there should be data sharing policy with other financial institutions and law enforcement agencies of EPFO.</p> <p>(Item No.8; 112th EC: 25.02.2025)</p>	<p>The response in S.No. 12 may be referred.</p>
31	<p>Progress in Implementation of CITES 2.01</p> <p>The Chairperson suggested that meeting with NASSCOM and other global IT Companies should be done for expert comments on the development of state-of-the-Art EPFO software system. It was further directed to have a meeting with LIC for the overall fund management and software design.</p> <p>It was directed to develop the IT training module for the EPFO officers.</p> <p>(Item No.9; 112th EC: 25.02.2025)</p>	<p>As a followup of the meeting of Secretary MoL&E and Secretary (MeITY), discussions have been held with NeGD team to provide technical guidance for EPFO IT systems.</p> <p>The directions are noted.</p>
32	<p>Progress in Implementation of CITES 2.01</p> <p>The Chairperson directed that a vision roadmap of the overall EPFO software architecture for the long-term perspective should be envisaged.</p> <p>CPFC informed that based on the discussion held at Bengaluru on the approach for EPFO 3.0 for a scalable system to deliver services to various categories of workers and employers in future, a vision document and a roadmap document will be prepared in consultation and approval with the Ministry and the HLEM.</p> <p>The Chairperson directed to place the vision document before EC.</p> <p>(Item No. 9; 112th EC: 25.02.2025)</p>	<p>The EPFO 3.0 initiative aims to improve efficiency and ease of doing business. The EPFO 3.0 'AS-IS' workshop was organised on Dec 12th, 2024.</p> <p>Workshop aimed to analyse the current state of the EPFO ecosystem, focusing on identifying challenges and inefficiencies within existing workflows, business processes and technology.</p> <p>An Internal Workshop was conducted for EPFO 3.0 on Jan 6th and 7th, 2025. 'TO-BE' workshop to decide upon the future roadmap was conducted in Bengaluru on Feb 18th, 2025.</p> <p>The EPFO 3.0 document is under preparation.</p>
33	<p>Information agenda regarding expeditious disposal of Court Cases w.r.t. EPFO</p>	<p>ATR in S.No 25 above may be referred to</p>

	<p>The Executive Committee took note of the agenda with a directive to place the agenda of Amnesty scheme to reduce litigation in 14B cases, before the CBT after vetting from legal and financial perspective.</p> <p>(Item No.11; 112th EC: 25.02.2025)</p>	
34	<p>Status Note on Report of the Committee on “Simplification of settlement of claims”</p> <p>The Chairperson recommended that the solution proposed by the Committee on the simplified PF withdrawal process should be implemented. CPFC assured that the work will be initiated by CDAC in coordination with SBI and NPCI.</p> <p>(Item No. 12; 112th EC: 25.02.2025)</p>	<p>Agenda note has been proposed for 113th EC.</p>

Proposal : The Executive Committee, CBT may please take note of the above action taken statement.

Report of the Committee on Consumer Court Cases of EPFO

(As constituted vide order dt. 24/01/2025 of HO, EPFO)

Subject: Analysis of legal cases and suggestions to reduce litigation

Committee Members: Shri D K Singh (ACC, RO Electronic city, Bangalore), Shri Abhijeet Kundu (RPFC-1, ZTI, East Zone) and Shri Shikhar Sharma (RPFC-1, ZO, Vijayawada)

The Context:

1. Employees' Provident Fund Organization (EPFO) administers EPF & MP Act 1952 along with the schemes - PF, Pension and Insurance - framed under it. EPF Act is a **beneficial act** meant for the welfare of covered workers and their families.
2. EPFO came under the **Consumer Protection Act (CPA), 1986** as per the decision dated 14/09/1999 of the Hon'ble Supreme Court of India in Regional Provident Fund Commissioner vs Shiv Kumar Joshi on the grounds that even though administrative charges ,under EPF Scheme 1952, are required to be paid by the employer and not by the employee, the scheme is meant for the benefit of employees and the administrative charges are being remitted by employers only in respect of employees, and hence service to employees under EPF Scheme is not free of charge as claimed by EPFO to get exclusion from CPA 1986.
3. Since then, a large number of cases against EPFO have been filed before all the three-tier of consumer fora and as per the list provided by HO on 24.01.2025, the following cases are pending:

Consumer Forum	Total cases (All India)	EPFO as Petitioner	EPFO as respondent
1. DCDRF	2697	132 (5%)	2565 (95%)
2. SCDRC	1847	1376 (75%)	471 (25%)

3. NCDRC	40	20 (50%)	20 (50%)
Total	4584	1528 (33%)	3056 (67%)

[DCDRF = District Consumer Disputes Redressal Forum, SCDRC = State Consumer Disputes Redressal Commission, NCDRC= National Consumer Disputes Redressal Commission]

4. The Consumer court cases in EPFO as shown in above table constitute **18%** of total cases pending in EPFO at courts other than Supreme Court. (CGIT-9337, High Courts-11346, Prosecution cases-4434, Total= 25,117). Whereas the Consumer court cases pertaining to EPFO constitute **less than 1%** of total cases pending before various consumer courts all over India. Total cases pending before various consumer forums, as on 25/02/2025, as per the website, **e-jagriti.gov.in** of Ministry of Consumer Affairs is 5,71,015. EPFO has only 4584 cases, other major pendency being 1,80,083 of Insurance cases, 62332 of Banking cases, 49949 of housing cases, 29672 of electricity cases, 20834 of finance cases, 17134 of medical cases, 14617 of consumer cases and so on.
5. Another important fact to be noted is that **only 2** out of 2697 cases of EPFO at DCDRF have been referred to Alternate Dispute Resolution / Lok Adalat.
6. In order to have a broader perspective and also get an in-depth view of **consumer fora cases of EPFO**, the Committee sent e-mails to all the major ROs where consumer cases are pending with a request to share a brief note about the nature of cases. Some ROs like Nasik, Mysore and four ROs of AP Zone (Guntur, Vishakhapatnam, Rajmundry, Kadapa) shared the relevant information.
7. The **points of disputes** in various consumer cases as mentioned in the notes from various ROs are summarized below:
 - (i) Wrong calculation of benefits under pension scheme
 - (ii) Wrong calculation of service for pension cases,

- (iii) Delay in payment of monthly pension due to Life Certificate
- (iv) Delay in sanction of widow/widower pension cases,
- (v) Non-sanction of ROC amounts due to no valid nominations
- (vi) Payment of pension on higher wages,
- (vii) Payment of certain pension amount, say, Rs. 5000, irrespective of entitlements
- (viii) Pro-rata pension calculation method
- (ix) Payment of EDLI benefits, settlement of death benefits
- (x) Transfer of PF accounts and PF claim settlement
- (xi) Non-linking of Aadhar with PF Account, Joint declaration For KYC corrections
- (xii) Non-coverage of establishment and remittance of employees' contribution from prior date,
- (xiii) Non-payment of PF contributions by employer,
- (xiv) Non-cooperation from employer in claim submission,
- (xv) Non-attestation of claim by official liquidator and so on.

Analysis: Recurring issues and trends -

1. It is seen that 95% of cases in DCDRF are filed by members and EPFO is a petitioner in 75% of cases before state commissions and 50% of the cases before the national commission. The fact of EPFO being the main petitioner at higher consumer fora indicates that a very large portion of **cases at DCDRF** is being **decided against EPFO**.
2. As per the sample data obtained from ROs, **the main reason** for EPFO filing appeals at higher judicial forums is that most cases at district levels are being decided, not on the basis of the fact of "deficiency in service" but on the question of law or **legal interpretations of scheme provisions** regarding the correct quantity of benefits, even though EPFO has standardized benefit calculations through implementation of a standard application software for all offices all over India removing any bias associated with manual calculations.

3. For example, as per Nasik note, Consumer cases pertain to mainly pension schemes of EPS 1995/FPSF 1971, in which members are claiming pension where they are not eligible, or claiming more pensions where pension amount has been sanctioned as per the applicable rules. **The district consumer forums are ordering to pay** pension in non-eligible cases or ordering to pay **more than entitled pension** under the scheme, saying that EPF Act is beneficial and pensioners are old people in need of higher pension.
4. Similar cases have been reported from RO, Mysore where the district forum took a stand that **EPS scheme cannot be amended from retrospective effect** and pensioners are entitled for higher minimum pension. But this stand has now been overruled by the State Commission of Karnataka in a recent judgement.
5. The same is the trend on analysis of cases from AP Zone.
6. The committee also did a **contextual analysis** of the issue of large number of adverse decisions for EPFO at DCDRF levels and discovered that one of the reasons could be the fact that Consumer Courts are handling a vast variety of cases of commercial nature ranging from quality of products requiring sophisticated lab- reports and deficiency of service cases requiring immediate attention and special investigations which result in allotment of less time and attention for EPFO cases.
7. The Committee further noted that almost all cases before the district consumer forums are **filed by the employees and not by the employers**, even though it's the employer who pays the administrative charges to EPFO. The reason could be the limited remedy u/s 7-I of the EPF Act available only to the employer to file appeal before a special tribunal (EPFAT, now CGIT) having expertise with labour-specific issues, and no such remedy available to the employees, as section 7-I allows appeals only if any person is aggrieved by notifications or orders issued under the limited sections 1,3, 7A,7B,7C or section 14B of the EPF & MP

Act. Since these sections pertain mainly to actions of employers, any person aggrieved by notifications or orders pertaining to the service-related provisions of the three schemes of the EPF Act have to approach directly to High Courts under writ jurisdictions, if consumer courts were not there to take up such cases.

8. The committee also noted that **most cases** before the consumer courts **pertain to the pension scheme** and only a few cases under EPF and EDLI schemes.
9. The reason for this appears to be the **complicated scheme provisions**, complex methods to calculate pensionary benefits, multiple eligibility criteria, plethora of documents required and lengthy procedures to claim pensionary benefits, causing rejection or delay settlement of pension claims.

Suggestions: Measures to minimize complaints and improve services:

10. **Legislative Actions:** Since the major source of consumer cases pertain to the realm of interpretations of the EPF Act and schemes framed thereunder, it is felt that provisions of Act and Schemes need to be amended to bring clarity, reduce litigations and ensure faster disposal of disputes/grievances. Some of the changes required are suggested below:
 - (i) Section **7-I of EPF Act** may be amended to include “any notification issued by the central government or an order passed/action taken by any EPFO authority under **section 5, section 6A and Section 6C** of the EPF Act”, to ensure that all three schemes get covered under the said appellate provisions.
 - (ii) This will extend the remedy available within the EPF Act, which is hitherto limited to employers, to the employees also, ensuring disposals by specialist labour tribunals and obviating the need for employees to approach the general forums such as Consumer Courts for any relief.

- (iii) The committee finds that **existence of multiple schemes** like EPF, EPS, FPFS and EDLI separately and launched at three different historical contexts in 1952, 1976 & 1995 are causing complications in claiming social security benefits specially by the vulnerable sections who are mostly poor and illiterate workers and who are mostly out of job at the time of claiming the benefits.
- (iv) Hence it suggests that **all the three schemes** running at present should be **integrated into one composite scheme** in the year 2025 with provisions of one lump-sum payment, monthly pension and life insurance benefits and a system be developed where the workers can get the benefits without going through the rigors of filing complicated claim forms.
- (v) Instead of claim-forms, it is suggested that a **claim-return** be introduced asking employer to submit this return electronically along with F-10 on exit of the member to EPFO with a copy to member, so that whenever member forwards that claim-return copy to EPFO in an on-line mode, the system matches it with already claim-return filed with EPFO and settles the claim without the need to file fresh claims.
- (vi) In the short run, EPS 1995 should be thoroughly amended, especially the formula for pension calculations and eligibility criteria for pension entitlements in order to make the scheme provisions simple and easily understandable to common people.
- (vii) It is suggested that **Para 12 (3), 12 (4) & 12 (5) be deleted** with effect from 16.11.1995 and **merged with para 12 (7A)** of EPS 1995 and **minimum pension be enhanced to, say, Rs.2,000/- per month** for any eligible member, as provisions for different amounts of minimum pension based on the date of start of pension considering 71

scheme period and 95 scheme period separately, not only creates confusion but also adds no value after the introduction of a general clause of para 7A in 2014 allowing minimum pension to all categories of pension.

- (viii) This will effectively stop any new cases going to consumer courts and this will do so without adversely affecting the members, as pensionary rights are decided only by the rules existing as on the date of retirement and as per our suggestion, **members will get more** than what they could get under the paras proposed to be deleted, that is, “aggregate minimum pension of Rs.800/-or 600/- or 500/- for 24 years of service etc.”
- (ix) The **funding for the enhanced amount of minimum pension** may be made by utilizing the amount collected from the employer under sections 14B/7Q of the Act for delay in payment of pension contributions in account 10.
- (x) **Other major issues** with EPS leading to a vast number of consumer forum cases pertain to the scheme provision of giving 2-years weightage, counting of NCP days, pension calculation on pro-rata basis for pre-2014 and post-2014 amendments in pension scheme which affect the determination of pensionable service and pensionable salary, based on which **the pension amount under Para 12** of EPS is calculated using the formula:

$$(\text{Pensionable salary} \times \text{pensionable service}) / 70$$

- (xi) This may be due to a tendency among the beneficiaries as well as the lower courts to evaluate pension amount in isolation, either without referring to the contributions paid for such pension or to view pensionary benefits as not being proportionate to the contributions being diverted

from the provident fund of the employees to the pension fund.

- (xii) Disproportionately less pension vis-a-vis the contributions was also the ground on which validity of EPS 1995 was challenged before the various courts since 1997 onwards and which was finally decided by the Hon'ble Supreme Court of India in OTIS elevator Vs UOI on 11.11.2003 saying that pension scheme of 1995 cannot be evaluated based on ratio of contribution to benefit in respect of each employee separately but only collectively, it being a scheme of social nature and the scheme, when seen from collective point of view, is constitutionally valid and legal as pensionary benefits are commensurate with the contributions being received in the pension fund.
- (xiii) The apex court in OTIS elevator(supra) also approved the ratio of the Supreme court judgement in Mafatlal Group Staff Association vs. RPFC, 1994 (4) SCC 58 that Pension scheme shall ensure **a broad correspondence** between what the employees contribute and what they get in return in such a way that **benefits to be** provided to them under the scheme should broadly approximate to and be **commensurate with what they contribute** and the conclusion about constitutional validity of the scheme should be drawn by taking an overall view of the scheme and **not by taking separate instances**.
- (xiv) The principle of **Contribution-benefit parity** as enunciated by the hon'ble Supreme court in OTIS elevator (supra) in 2003 has so far not been reflected directly in the scheme leading to many litigations at local levels, and hence it is suggested to amend Para 12 of EPS 1995 by inserting an additional formula for pension calculation directly from contributions received in the pension fund, apart from the already existing pension formula, and then having the

“whichever is more” clause in favour of the old formula to decide the final pension amount.

- (xv) An **alternative contribution-based formula** has been attempted here in the following manner:

Total contributions / 79.716

- (xvi) The above new formula will demonstrate that pension being paid is commensurate with contributions being received in the pension fund. In this formula, the total contributions (principal amount) at **9.49 %** [8.33% from employer plus 1.16% from the govt.] received during the service period of a member is divided by a constant factor, **79.716** and the resultant pension amount exactly matches with the amount calculated by the existing formula, if contributions were remitted on the full pensionable salary throughout the service period in a particular case.
- (xvii) This is so because the regular formula is designed to finance the pension amount of a member for a period of approximately **6 years and 7 months** (79.716 months, to be precise) from the contributions received and for the remaining period of pension, by the interests earned on the principal amount, in order to make it a fully-funded scheme, as is clear from the following table.

Avg. salary	Avg service (in years)	Contributions (without interest)	Pension amount (salary X service)/70	Pension as per new formula from (contributions/79.716)
5000	15	85,410	1,071	1,071
6500	10	74,022	929	929
14,000	10	1,59,432	2,000	2,000
15000	35	5,97,870	7,500	7,500

- (xviii) The above ideal situation, however, may not exist in all cases, except in cases of members earning higher wages, as pensionable salary is calculated based on average salary for last 60 or 12 months, and salary for the previous years are likely to be less.
- (xix) This will, however, help bring the symbolic clarity in regular cases where members have contributed up to the pay-ceilings amount of 6500 or 15000 as it will show how much contributions are received in each case and how much pension is being paid.
- (xx) In higher pension cases, the above suggested contribution-based formula can be a clinching factor in disputes related to pro-rata calculation of higher pension amount, as all higher wage earners will contribute on wage-limit of Rs.5000/- or 6500/- or 15000/- for regular pension and this new formula can be used as a validation tool to check if the **contribution to pension ratio** in a particular instance for both regular and higher pension is same or not. We just have to divide the principal amounts of contributions as per the demand notice by 79.716 to get the higher pension amount and then compare it with regular pension amount vis-a vis regular contribution per month to avoid any disproportionate pension for higher wage cases to ensure that the balance between the social security goal of decent retirement benefits and the long-term financial sustainability goal of keeping the fund deficit within limits as maintained in the scheme does not get disturbed due to grant of pension on higher wages.
- (xxi) Apart from Scheme amendment, it is suggested that total contributions received in each case from the employer and from the Central Government be also shown in the PPO being sent to each pensioner to allow every pensioner to

check if pension is in commensurate with the contribution received or not and to also highlight the fact that central government is also contributing in each pension case, a fact many pensioners are aware at present due to yearly contributions by Government in public accounts reflected in member passbook.

- (xxii) Further, it is suggested, that Widow or widower pension be calculated as equal to member pension by considering spouse and children as one unit and by **merging the children pension to spouse pension** in order to avoid the need to file 3 separate 10Ds., opening of 3 separate bank accounts etc. without adding any value as benefit finally goes to the bereaved family with widow/widower as head of the unit.

11. **Administrative Actions:**

- (i) Consumer protection Act (CPA) 2019 has introduced Chapter V for faster disposal of consumer cases through a consumer mediation cell attached to all District Forum and State commission. It is suggested that each field office may be directed to avail of this mechanism for out of court settlement and ensure quick disposal of pending cases at DCDRF and SCDRC.
- (ii) Consumer protection Act (CPA) 2019 has also allowed review applications before DCDRF and SCDRC under section 40 and section 50 respectively of the CPA Act and hence respective ROs may be directed to use these review sections, which were not there earlier in 1986 Act, before filing appeals at higher forums.
- (iii) It is also suggested that the mandatory requirement of taking legal opinions before filing appeals may be dispensed with for consumer court cases where cases decided against the department are clearly against the scheme provisions and appeals have to be necessarily filed

in such cases, as the time-limit to file appeal is only 30 days and the procedural requirements of legal opinions may not only result in crossing the time-limit but also does not much value in such clear cases.

- (iv) In order to simplify the remedial measures, a quasi-judicial authority as Commissioner (Appeal) in the rank of ACC (HQ) may be created in each zone to entertain appeals against any issue related with claim settlement, credit of interest, any service-related issue. This will also ensure a level playing field for employees on par with employers and will also help in reducing litigations apart from ensuring more accountability down the line.
- (v) There is also a need to simplify processes especially for pension and death cases, and put in place an online inter-office coordinating and monitoring facility for claims etc., and formulate effective mechanisms in case of non-cooperation by employer and also provide alternate speedy measures for digital illiterate persons.
- (vi) EPFAT may be revived to permit filing of a second appeal, if the member is not satisfied by the order of the Commissioner (appeal) and till then CGIT maybe authorized to entertain such appeals.
- (vii) The legal resource team at Zonal Office/Regional Office level may be strengthened with a minimum of one senior lawyer in each state.

12. **Conclusion:**

- (i) The above suggestions, if implemented, will ensure public accountability of EPFO as required by the principle laid down by the Hon'ble Supreme Court in **The Joint Labour Commissioner vs Kesar Lal on 17 March, 2020** wherein it observes: "Public accountability is a significant consideration which underlies the provisions of the Consumer Protection Act 1986".

- (ii) Once implemented in totality, the above recommendations of this committee will allow EPFO to go for a review of the two orders of Hon'ble Supreme Court's in *Rpfc v Shiv Kumar Joshi* [(2000) 1 SCC 98] and *Rpfc v Bhawani* [(2008) 7 SCC 111]. In *Sunil Joshi* case, the issue pertained to EPF scheme, where administrative charges are being collected, whereas in *Bhawani* case, the issue pertains to Family pension Fund scheme where employee was also contributing to pension fund.
- (iii) But neither in EPS nor in EDLI, the employee contributes or employer pays administrative charges directly on behalf of employee and hence the above judgements of the 2-judge bench of the Supreme Court may be examined with reference to observations of the 3-Judge bench of Supreme Court of India in ***Puda vs Vidya Chetal*** on 16 September, 2019, in which the apex court observed that:
 - (a) “ if the statutory authority, other than the core sovereign duties, is providing service, which is encompassed under the Act, then, **unless any Statute** exempts, or provides for immunity, for deficiency in service, or **specifically provides for an alternative forum**, the Consumer Forums would continue to have the jurisdiction to deal with the same....”
 - (b) “.....those exactions, like tax, and cess, levied as a part of **common burden or for a specific purpose**, generally may not be amenable to the jurisdiction of the Consumer Forum. However, **those statutory fees, levied in lieu of service provided**, may in the usual course be subject matter of Consumer Forum's jurisdiction provided that there is a 'deficiency in service' etc”.

Final Report of the Committee submitted for kind
consideration on 03/03/2025.

D K Singh
(ACC)

Abhijeet Kundu
(RPFC-1)

Shikhar Sharma
(RPFC-1)

ANALYSIS OF PROSECUTION CASES FILED UNDER SECTION 14 OF THE EPF & MP ACT 1952 AND PARA 76 OF THE EPF SCHEME 1976 AND SUGGESTION FOR REDUCING LITIGATION

Team members constituted vide EPFO Head Office order No. : Committee/E.File No. 972690 dated 24.01.2025:

1. K Rupeshor Singh, Regional PF Commissioner-I, RO Barrackpore
2. Ram Anand, Regional PF Commissioner-I, PDNASS
3. Abhishek Kumar Mishra, Regional PF Commissioner-II, Head Office

Mandate: i) Examine pending prosecution cases, Identify procedural inefficiencies, ii) jurisdictional issues and iii) propose strategies to streamline case management.

EXECUTIVE SUMERY OF THE SUGGESTIONS IN THE REPORT

- a. Filing of Prosecution cases for default in payment of contributions may be discouraged in respect of running establishments which have movable and immovable assets. EPFO can recover the amount through the recovery modes provided under section 8B to 8G of the EPF & MP Act 1932.
- b. Wherever the employer had deposited the contributions for which the prosecution has been filed, RPFC-I should be authorized to withdraw the prosecution provided that the employer submits an application and an affidavit for not repeating the offence in future and a fine is paid (Provision for compounding the offence should be incorporated in the EPF & MP Act 1952).
- c. As there is no provision in the EPF & MP Act 1952 and the schemes framed thereunder for imposing penalty or fine for non submission of returns, claims etc., EPFO have no alternative but to file prosecution. Element of penalty/fine may be introduced in the EPF & MP Act 1952 and the schemes framed thereunder for non-submission of return, forwarding of claim etc.
- d. The Advocates should also be instructed to press for regular hearings and raise objections, if the other parties repeatedly seek adjournments. The Concerned Regional Office/Zonal Office should discuss their strategy in advance with the advocates and ensure that the courts notices are served to relevant parties to avoid unnecessary

adjournments, and the Advocate is well versed with the case and all facts, provisions and documents are made available to them.

- e. Field Level Committee for legal cases should in their meeting review 5 cases every month to find out reasons for pendency. Early hearing application may be mandatorily filed in all cases pending beyond 10 years.
- f. A petition for clubbing of similar issues against an establishment may be filed asking for consolidated hearings to speed up disposal of such cases.
- g. The Zonal Office should review and evaluation of the Advocate by the regional office by studying the daily orders. If they are not arguing the matter forcefully, the option of changing the Advocate should also be explored after giving an advisory to the concerned advocate.
- h. There is requirement of better reporting in annual report to track the trajectory of the prosecution cases and make sense of the current trend in filing of the prosecution cases.
- i. It is desirable that services of advocate may be used for effectively defending these cases and for early disposal. Advocates may be immediately appointed wherever Advocates are not assigned. OIC should meet appropriate Court officers for regular listing of the cases. There should be constant follow-up with the Advocate and the Court Authorities for regular listing of the cases.
- j. The integrity of reporting in the LIMBS portal must be ensured and the HO/ZO/RO legal team must act in sync of the instructions issued for effective management of the legal cases. Additionally, it is also recommended to include data of FIR filed and the data pertaining to cases under 110 CrPC to understand the impact of these actions on the compliance management and assess their impact as deterrence vis-à-vis prosecution cases.
- k. Offence like non submission of return are non-cognizable offence and law of limitation is applicable in such cases (refer section 468 of CrPC). Limitation is **Six months**: If the offense is punishable with a fine only ; **One year**: If the offense is punishable with imprisonment for a term not exceeding one year; **Three years**: If the offense is punishable with imprisonment for a term exceeding one year but not exceeding three years. Therefore, all prosecution cases where there is no financial implications should be examined and if case is filed after the limitation period is over, RPFC-I should be authorized to withdraw the prosecution provided that the employer submits an application and an affidavit for not repeating the offence in future. This is suggested as all these cases are likely to be quashed by the Lower Court/High Court/Supreme Court.

ANALYSIS OF PENDING PROSECUTION CASES IN LIMBS

Year wise breakup of 4434 pending prosecution cases : 3 in Supreme Court, 243 in High Court, 4188 in Lower Court):

A. YEARWISE PENDENCY IN SUPREME COURT :

3 cases pending at Hon'ble Supreme Court. In two cases, EPFO is petitioner and in one case EPFO is respondent. 2 cases were filed in the year 2019 and one was filed in the year 2022. The cases are updated on the LIMBS portal and 2 cases pertain to ZO Bhopal and one case pertains to ZO Patna.

B. ANALYSIS OF PROSECUTION CASES PENDING IN HIGH COURT

a) Year wise pendency (High Court):

243 cases pending at various High Courts. In 86 cases, EPFO is petitioner and in 149 cases EPFO is respondent and in 8 cases EPFO is other party.

Year in which case was filed	Number of cases filed
1994	3
2007	9
2008	2
2010	1
2011	2
2012	2
2013	1
2014	5
2015	6
2016	1
2017	39
2018	71

2019	15
2021	19
2022	8
2023	59

b) RO wise pendency (High Court):

Name of the R.O.	Number of cases	Remarks
Amritsar	2	EPFO is respondent in both cases; registered in 2012 and 2015 with financial implication of 1-20 lakhs.
Bandra-II	1	EPFO is other in this case; case filed in 2019 with financial implication of 1-20 lakhs.
Bandra-III	1	EPFO is respondent in criminal WP filed in 2018 with no financial implication.
Bareilly	1	EPFO is respondent in criminal cheating matters filed in 2015 with no financial implication.
Barrackpore	39	37 of the matters are criminal for non-production of records or non-payment of contributions; 23 cases were filed in 2017, 14 in 2023 and one each was filed in 2011 and 2015.
Bhatinda	2	Filed in 2017 and EPFO is respondent in these criminal cases.
Bhopal	36	These are pertaining to single establishment, filed in 2023
Bommasandra	1	Filed in 2019; EPFO is respondent
Bommasandra-II	1	Filed in 2023; EPFO is respondent
Chandigarh	1	Filed in 2013; EPFO is respondent
Chennai	6	EPFO is respondent in all cases, 4 were filed in 2017 by one establishment
Chikamagalur	1	EPFO is petitioner in the case filed in 2022
Cochin	13	9 cases were filed in 2007

Darjeeling	1	Filed in 2014
Delhi (North)	1	Filed in 2010
Faridabad	63	In 60 cases EPFO is petitioner and 3 cases EPFO is respondent and all were filed on 29/10/2018 in respect of Lakhani India Limited with no financial implications
Gwalior	1	Filed in 2018 with EPFO as respondent
Hyderabad	1	Filed in 2022 with EPFO as respondent
Jamshedpur	1	EPFO is respondent, filed in 2008
Jaipur	1	EPFO is petitioner, filed in 2019
Jabalpur	2	EPFO is respondent, filed in 2021
Jalandhar	2	EPFO is respondent, one filed in 2021 & 2022.
Kandivali	1	EPFO is petitioner, filed in 2021
Kannur	1	EPFO is petitioner, filed in 2021
Karnal	1	EPFO is Respondent, filed in 2015
Kolhapur	8	EPFO is Respondent, filed in 2019 by Mantri Metalics Pvt Ltd
Kolkata	4	EPFO is respondent with one case in 2011, one in 2017 and two in 2021.
Kottayam	2	Filed in 2013 and 2023.
Madurai	1	Filed in 2021 with EPFO as Respondent
Nagpur	3	One filed in 2021 and 2 in 2023.
Nasik	1	Filed in 2014
Park Street	1	Filed in 2023
Patna	5	3 filed in 1994, one in 2018 and one in 2023
Peenya	9	9 filed in 2017 in respect of electrex India; in 7 case EPFO is respondent and in 2 case EPFO is petitioner
Pune-II	2	1 in 2019 and 1 in 2021
Raipur	1	EPFO is respondent, filed in 2012
Rajahmundry	1	EPFO is respondent, filed in 2008
Rajkot	2	In one case EPFO is petitioner and in one case respondent

RR	1	EPFO is respondent, filed in 2019
Rohtak	1	EPFO is respondent, filed in 2021
Shimla	2	EPFO is respondent, case filed in 2018 & 2021
Tambaram	1	EPFO is respondent, filed in 2022
Tirunelveli	1	EPFO is petitioner, case filed in 2014
Trichy	4	All 4 filed in 2023 with EPFO as respondent and same case title
Trivandrum	3	EPFO is respondent, 2 filed in 2021 and one in 2017
Vadodara	2	EPFO is respondent, filed in 2019 and 2021
Varanasi	1	EPFO is respondent, filed in 2019
Vatwa	3	Two cases filed in 2022 and one in 2019
Vizag	1	EPFO is respondent, case filed in 2021
Warangal	1	EPFO is petitioner, case filed in 2014
ZO Guwahati	1	EPFO is respondent, case filed in 2022

c) ANALYSIS (High court):

	ANYLYSIS	SUGGESTION
1	The case details have been generally updated in the LIMBS Portal. There is increase in pendency of cases since the year 2017. Around 87% of the cases that are pending at High Court pertains to period since the year 2017. The three oldest pending cases belong to the year 1994 and pertains to RO Patna. Thereafter the second oldest cases pertain to the year 2007. This indicates that the review as well as the evaluation of the advocates on the quarterly basis has not been done and field office has not been able to sensitize the advocate regarding the importance of disposing the old cases. This also indicates	In Review meetings of the Advocates, it must be regularly instructed to attend all the hearings personally and press for hearings, instead of frequent adjournments. The Advocates should also be instructed to raise objections, if the other parties repeatedly seek adjournments. The Concerned Regional Office/Zonal Office may discuss their strategy in advance with the advocates and also ensure that the courts notices are served to relevant parties to avoid unnecessary adjournments and the Advocate is well

	that the Advocates are not properly paying attention to the cases for their early disposal else such old cases might have been disposed.	versed with the case and all facts, provisions and documents are made available to them.
2	Absence of any cases pertaining to the early hearing application.	<p>Field Level Committee for legal cases should in their meeting review 5 cases every month to find out reasons for pendency.</p> <p>Early hearing application may be mandatorily filed in all cases pending beyond 10 years.</p> <p>Additionally, filing an application under Order 41 Rule 11 CPC may be explored for getting dismissed appeals, that lack merit at the outset, without requiring a full hearing or notice to the respondent. If a recent judgment supports the case of the department, the same may be cited to avoid unnecessary legal arguments.</p>
3	In 86 cases, EPFO is petitioner out of total 243 cases which constitutes around 35% of total case load at the various High Courts but in 60 similar cases filed by RO Faridabad, EPFO is a petitioner and in five similar cases of RO Cochin, EPFO is a petitioner. These similar cases constitute around 75% of the workload in respect of cases in which EPFO is a petitioner.	It is not necessary to file an appeal in all cases, even if the same question of fact and law is involved. In such cases, appeal may be filed only if necessary and if legal ground exist and if multiple cases exist on the same legal issue, a petition for clubbing of similar issues may be filed asking for consolidated

		hearings to speed up disposal of such cases.
4	It is observed that out of 51 offices having pending High Court cases, 29 offices are having only one pending case and 9 offices are having only two pending cases and there is lesser burden on these offices to take effective action to reduce the pendency of these cases. Since, EPFO has more than 138 regional offices, therefore, even if each office files a single case, then also the case load for the EPFO as a whole increase significantly.	<p>The zonal offices may take proactive action and supervise the regional offices in all the cases which are pending for more than 10 years.</p> <p>The Zonal Office should review and evaluation of the Advocate by the regional office by studying the daily orders. If they are not arguing the matter forcefully, the option of changing the Advocate should also be explored after giving an advisory to the concerned advocate.</p> <p>Further, wherever significantly higher number of cases are pending for long period of time, say more than 10 years, the concerned ACC in charge of the zonal office may take effort to schedule a meeting with the High Court Officers requesting for early listing of these cases.</p>

C. ANALYSIS OF PROSECUTION CASES PENDING IN LOWER COURT

4188 cases pending at various High Courts. In 2974 cases, EPFO is petitioner, in 1172 cases EPFO is respondent, in 25 cases EPFO is other party and in 17 cases the EPFO role in the case is not clear. In around 71% of the pending cases at lower courts EPFO is a petitioner, this is in contrast to pending high Court cases where only around 35% of the cases have EPFO as petitioner.

a) Year wise pendency (lower court):

Year in which case was filed	Number of Pending cases
1970	29
1977	2
1980	2
1981	1
1986	1
1987	85
1988	42
1989	33
1990	29
1991	11
1992	15
1993	187
1994	29
1996	21
1997	108
1998	7
1999	159
2000	17

2001	35
2002	5
2003	77 (In 6 cases of Cochin, it is not known if EPFO is a party)
2004	5
2005	125
2006	76 (In 9 cases of Cochin, it is not known if EPFO is a party)
2007	53
2008	47
2009	29
2010	294
2011	153
2012	112
2013	148
2014	83
2015	313(In 1 case of Cochin, it is not known if EPFO is a party)
2016	291(In 1 case of Cochin, it is not known if EPFO is a party)
2017	136
2018	312
2019	239
2020	66
2021	95
2022	149
2023	261
2024	309 (last on 09-10-2024)

b) RO wise pendency (Lower Court):

Name of the R.O.	No. of cases	Remarks
Agra	1	Filed in 2014 with EPFO as Petitioner
Ahmedabad	19	None of the cases have any financial implications, 3 oldest cases in 2006.
Akola	5	Oldest case in 2014, all have EPFO as respondent

Allahabad	2	Oldest case in 2018, None of the cases have any financial implications.
Alwar	11	Oldest case is 2009. Either there is no financial implication or financial implication is not known.
Ambattur	2	Oldest case in 2018
Amritsar	9	Oldest case in 2017
Aurangabad	101	Oldest case in 2015; EPFO is petitioner in 99 cases and respondent in 2 cases. Majority of these cases are filed against Suraj Windoor pvt ltd or Orion laminates limited.
Bandra	45	Oldest case is filed in 1981 and 31 out of 45 cases have been filed up to year 2001.
Bandra-II	374	Oldest case is of 1977, 84 were against one establishment and 63 against another in year 1993. Similarly multiple cases have been filed against the same establishment over the years which have led to inflated number of cases.
Bandra-III	57	One case is of 1993 but the remaining have been filed since 2016. 42 cases were filed against one establishment in one case.
Bandra-IV	1	Filed in 2017, it is in appeal stage
Bareilly	42	Oldest case is of 2002, 35 cases are against one establishment
Barrackpore	1	Filed in 2020 with no financial implication
Bellary	6	Oldest filed in 2014
Bengaluru Central	14	Oldest case is of 1998, In all case, except oldest case, EPFO is respondent,
Bengaluru	3	oldest is of 2022
Berhampur	3	Oldest case is of 2015
Bharuch	3	Oldest case is of 2020
Bhatinda	6	Oldest case is of 2022, EPFO is mostly respondent

Bhopal	106	Oldest case is of 2012, most of the cases are of criminal nature with no financial implications and multiple cases against same establishments
Bhubaneswar	1	Oldest case is of 1970
Bommasandra	3	Oldest case is of 2022
Bommasandra-II	137	Oldest case is of 2019, majority of cases pertains to 5 to 6 establishments
Calicut	19	Oldest case is of 199 but most have been filed since 2015
Chandigarh	34	Oldest case is of 1970 but except oldest all are of 2014 onwards; 6 cases are of one establishment
Chennai	39	Oldest case is of 1970 but except oldest all are of 2013 onwards; 33 cases are against one establishment
Chikamagalur	11	Oldest case is of 2013
Cochin	217	Oldest case is of 1998; majority of the cases pertains to 8-10 establishments
Coimbatore	45	Oldest case is of 2016; 37 cases pertain to one establishment
Darjeeling	93	Oldest case is of 1999; 6 to 7 establishments involved and all cases are of criminal nature and all 93 cases have been allotted to only one advocate; all the cases are pending for more than 8 years now.
Dehradun	4	Oldest case is of 2013
Delhi East	21	Oldest case is of 2010; in 4 cases advocate have not been assigned
Delhi North	372	Oldest case is of 1997; around 330 cases are in respect of 5 to 7 establishments
Delhi South	15	Oldest case is of 2010
Delhi West	3	Oldest case is of 2022, advocate not assigned in one case.
Delhi Central	18	Oldest case is of 2015
Durgapur	27	Oldest case is of 2014; 18 cases pertain to one establishment; no cases are having CNR/Diary No.

Faridabad	5	Oldest case is of 2015
Goa	2	Oldest case is of 1999
Gulbarga	4	Oldest case is of 2016
Guntur	2	Oldest case is of 2011
Gurgaon	4	Oldest case is of 2022
Guwahati	3	Oldest case is of 2017
Gwalior	15	Oldest case is of 2010, in all cases EPFO is a Respondent
Howrah	14	Oldest case is of 2015; most of the cases of period up to 2001; EPFO is generally a respondent except in one case which is difficult to comprehend given the case title are of enforcement officer, which is a case when EPFO is a petitioner.
Hubli	99	Five oldest cases are of 1970; financial implication is not known in any of the cases and only one advocate is allotted all these cases. 94 cases pertain to one establishment only
Hyderabad	14	Oldest case is of 1970 and advocate is not assigned; Advocate not assigned in four cases.
Hyderabad -II	1	Filed in 2024
Indore	69	Oldest case is of 2015; 28 cases pertain to single establishment; In few cases EO are deputed and in few cases, Advocate are not assigned
Jabalpur	8	Three oldest cases are of 2002
Jaipur	45	Oldest case is of 2000
Jalandhar	6	Oldest case is of 2021
Jalpaiguri	8	Oldest case is of 1998
Jamshedpur	53	Oldest case is of 1991
Jodhpur	9	Oldest case is of 2014
Kadapa	7	Oldest case is of 2018; generally, EO appointed as advocated or advocate not assigned
Kandivali	335	41 oldest cases are of 1988; 12-13 cases accounts for majority of the cases; In many cases, EO details have

		been entered as Advocate; cases of Kandivali I and II have not been segregated as seen from the details of the nodal officer.
Kandivali-II	14	All pertain to 2024; all cases are of EPFO as petitioner related to Chandan K Sinha
Kanpur	26	Oldest case is of 1991; many cases relate to service matters
Karimnagar	2	Cases of 2024
Karnal	67	Oldest case is of 2016; In many cases Asst legal is nodal officer; in some cases, EO have been allotted as Advocate.
Kolhapur	50	Oldest case is of 1989; financial implication is not known in any of the cases; in 49 cases, only one advocate is allotted.
Kolkata	148	Oldest case is of 2006; most of the cases pertains to 10 establishments
Kollam	1	Oldest case is of 2021
Kota	15	Oldest case is of 2015
Kottayam	59	Oldest case is of 2009; 57 cases allotted to one advocate; most of the cases pertains to few establishments
KR Puram	13	Oldest case is of 2021; in most of the cases Advocate is not assigned
Kukatpally	1	Oldest case is of 2021
Lucknow	11	Oldest case is of 2017
Ludhiyana	9	Oldest case is of 2019
Madurai	50	Oldest case is of 2005; most of the cases are related to 4 establishments; most of the cases are criminal nature
Mangalore	19	Oldest case is of 2017; most of the case is of one establishment
Meerut	2	Oldest case is of 2017
Mysore	9	Oldest case is of 2013; no cases have financial implication

Nagercoil	17	15 oldest cases are of 2018 and are against 1 establishment
Nagpur	10	Oldest case is of 1988
Naroda	2	Oldest case is of 2007
Nasik	7	Oldest case is of 1998
Nizamabad	12	Oldest case is of 2023 and EPFO is respondent in all cases
Park Street	127	11 oldest case is of 2013; 74 cases in respect of one establishment, 26 and 25 in respect of another establishments
Patna	10	Oldest case is of 2003 and EO are advocates
Peenya	5	Oldest case is of 2020; EPFO respondent in all cases
Pondicherry	13	Oldest case is of 2013; EPFO respondent in all except one case
Port Blair	2	Pertains to same establishment in 2022 with EPFO as respondent in both cases
Pune-II	132	Oldest case is of 2005; 19 cases in respect one establishment, 81 cases in respect of another establishment
Raichur	4	Oldest case is of 1970
Raipur	19	Oldest case is of 1970; EPFO is respondent in all cases
Rajahmundry	3	Oldest case is of 2018; EO as advocate
Rajkot	29	Oldest case is of 1992; most of the cases were filed up to 2010.
Ranchi	58	Oldest case is of 2011
Rohtak	35	Oldest case is of 2012; 12 cases in respect of one establishment
Rourkela	2	Oldest case is of 2023
RR	6	Oldest case is of 2022; EPFO is respondent in all cases
RR Nagar	4	All cases filed in 2024 with EPFO as respondent

Sagar	3	Oldest case is of 2021; in one case advocate is not assigned
Salem	4	Oldest case is of 2020, EPFO is respondent in all cases
Shillong	2	Oldest case is of 2004 but the amount involved in one of the cases is excess of ₹50 lakhs
Shimla	8	Oldest case is of 2015; EPFO is respondent in all but one case.
Shimoga	4	Oldest case is of 2018, in all cases EPFO is respondent
Solhapur	30	Oldest case is of 2013, in some cases advocate is not assigned and, in some case, commissioner is assigned
Surat	190	63 oldest cases are of 1987; case in respect of an establishment 63 times and against another 37 times
Tambaram	5	Oldest case is of 2021; EPFO is respondent in all cases, Advocate not assigned in 3 cases.
Thane	21	Oldest case is of 2011, 12 is against one establishment
Thane-II	61	Oldest case is of 2011; 18 is against one establishment, 9 is against another
Tinsukia	1	Filed in 2022
Tirunelveli	10	Oldest case is of 2015
Trichy	6	Oldest case is of 2007
Trivandrum	4	Oldest case is of 1999
Tumkur	2	Oldest case is of 2021
Udaipur	14	Oldest case is of 2001
Ujjain	3	Oldest case is of 2023
Vadodara	4	Oldest case is of 2022
Vapi	1	Oldest case is of 2015
Varanasi	55	Oldest case is of 2008
Vashi	9	Oldest case is of 2015
Vellore	117	47 oldest cases are of 2000; multiple cases against few establishments
Vizag	2	Oldest case is of 2021

Warangal	20	15 Oldest cases are of 2014; Advocate is public prosecutor in many cases
Yelahanka	30	8 oldest cases are of 1970; 19 cases in respect of one establishment and 8 against another
ZO Guwahati	13	9 oldest cases are of 1970; all cases are against same establishment and criminal in nature; the jurisdiction of ZO may be verified.

c. ANALYSIS (Lower Court)

	ANYLYSIS	SUGGESTION
	<p>The financial implication in these cases is generally low except in 31 cases where the financial implication is in excess of ₹ 20 lakhs. Out of these 31 cases financial implication in 5 cases is in excess of 1 crore and the highest financial implication of ₹ 25 crore to ₹ 100 Crore is in the case with LIMBS No. 1382440 where EPFO is a respondent.</p>	<p>Filing prosecution for non payment of contribution is seer wastage of time, money and effort as one case can be filed for three offence. For example non payment in A/c No 1 and A/c No 10 will constitute separate offence. Likewise, non payment in A/c No 1 for the month of say June 2021 and July 2021 will constitute separate offence.</p> <p>Filing of Prosecution cases for default in payment of contributions may be discouraged in respect of running establishments which have movable and immovable assets. EPFO can recover the amount through the recovery mode provided under section 8B to 8G of the EPF & MP Act 1932.</p> <p>Wherever the employer had deposited the contributions for which the prosecution has been filed, RPFC-I</p>

		should be authorized to withdraw the prosecution provided that the employer submits an application and an affidavit for not repeating the offence in future and a fine is paid (Provision for compounding the offence should be incorporated in the EPF & MP Act 1952).
2	<p>As per Limbs Data out of 4434 cases, 2283 have been marked as 'No Financial Implication' or "Unknown". These cases are for non filing of statutory return, non submission of claim, Joint Declaration etc. As there is no provision in the EPF & MP Act 1952 and the schemes framed thereunder for imposing penalty or fine for these offences, EPFO have no alternative but to file prosecution.</p>	<p>Element of penalty/fine may be introduced in the Schemes framed under the EPF & MP Act 1952 for non submission of return, forwarding of claim etc.</p> <p>In cases where the reason for filing the prosecution has been set right by the employer, RPFC-I should be authorized to withdraw the prosecution provided that the employer submits an application and an affidavit for not repeating the offence in future.</p> <p>Offence like non submission of return are non-cognizable offence and law of limitation is applicable in such cases (refer section 468 of CrPC). Limitation is Six months: If the offense is punishable with a fine only ; One year: If the offense is punishable with imprisonment for a term not exceeding one year; Three years: If the offense is punishable with imprisonment for a</p>

		<p>term exceeding one year but not exceeding three years.</p> <p>Therefore, all prosecution cases where there is no financial implications should be examined and if case is filed after the limitation period is over, RPFC-I should be authorized to withdraw the prosecution provided that the employer submits an application and an affidavit for not repeating the offence in future. This is suggested as all these cases are likely to be quashed by the Lower Court/High Court/Supreme Court.</p>
1	<p>In 198 cases either Advocate is not assigned, or advocate is not known and many of these cases are old pending. This indicates that LIMBS portal is not properly reviewed at HO/ZO/RO level.</p> <p>In the given data set, it was not possible to gauge exact number of cases where Enforcement Officer are acting as Advocate, as in many cases the name of enforcement officer has been entered in Advocate column without differentiation if advocate is from panel of advocate or EO as public prosecutor.</p> <p>In many cases, Enforcement Officers are acting as advocate. Enforcement Officer are having heavy compliance related workload</p>	<p>It is desirable that services of advocate may be used for effectively defending these cases and for early disposal.</p> <p>Advocates may be immediately appointed wherever Advocates are not assigned.</p>

	and may not be able to follow up these cases or appear on given dates or follow up with concerned courts for early hearing.	
	761 cases are pending for period prior to the year 2000. Such delay in finalizing of cases defeats the purpose of law, which is to have deterrence impact. Deterrence impact is created when the defaulter is aware that his default will be easily detected and he will be swiftly brought to justice.	OIC should meet appropriate Court officers for regular listing of the cases.
	It may be pointed that punishment for default was made more stringent u/s 14 in the year 1988 but it did not lead to reduction in default. EPFO Annual report of the year 1987-88 notes 76,035 pending prosecution cases while 12,515 prosecution cases were launched in the year 1987-88 and 4,998 cases were decided in the year 1987-88. This data from the year 1987-88 highlights that prior to the modification in law prosecution cases were liberally filed and disposal of these cases was also high. Moreover, the current pendency of prosecution court of 4,188 cases is lesser than the number of prosecution cases decided in the year 1987-88. Here, it would be apt to point that the annual report of 2022-23 does not contain data about number of prosecution cases filed in a year and the same data may also be included in the annual report to better track the number of filings of prosecution cases in a year. The excel sheet of prosecution cases shows 177 pending	There is requirement of better reporting in annual report to track the trajectory of the prosecution cases and make sense of the current trend in filing of the prosecution cases.

	cases that were filed in the financial year of 2022-23 but given that no data of cases disposed pertaining to the cases filed in the financial year 2022-23 is available, it is not feasible to say exactly how many prosecution cases were filed in the financial year 2022-23.	
	<p>Though the annual report of the year 2022-23 shows 9,692 prosecution cases pending in respect of the EPF scheme but the committee has been given a list of only 4434 cases. Given that only 592 out of 10,284 cases were disposed in the year 2022-23, it seems that there is gap in data set of prosecution cases that has been made available to the committee and the data that has been reported in the annual report.</p> <p>Unless, the data pertaining to 110 CrPC is not examined, it will not be feasible to suggest it as a measure to reduce the volume of prosecution cases or to assess its impact for compliance management.</p>	<p>The integrity of reporting in the LIMBS portal must be ensured and the HO/ZO/RO legal team must act in sync of the instructions issued for effective management of the legal cases. Additionally, it is also recommended to include data of FIR filed and the data pertaining to cases under 110 CrPC to understand the impact of these actions on the compliance management and assess their impact as deterrence vis-à-vis prosecution cases.</p>
	Cases where EPFO is petitioner with lesser or no financial impact is not a cause of concern except the legal and allied fees, as these cases may be against the non-compliances of the establishments but attempt may be made to ascertain the quantum of cost incurred by EPFO in the form of fees to the Advocates, TA/DA to EO, man-hour of officer/official lost while analyzing the cost-benefit analysis of these cases to assess their deterrence	<p>It needs to be examined as to why 1172 cases are pending where the EPFO is a respondent, when the EPFO is expected to be petitioner in these prosecution cases at the lower courts. The reasons for these EPFO respondent cases may also be examined, as these cases form 28% of the pending case load.</p>

	impact. The cases where the EPFO is respondent may be examined whether it may result in future liabilities and the extent thereof.	
	<p>Even though, the data shows 4188 cases pending at lower courts for prosecution but in many instances multiple number of cases are filed against a single establishment. An analysis of all regional offices with more than 100 pending cases suggests that the effective number of establishments in these cases is well below 100 mark due to multiple number of cases in respect of one establishment.</p> <p>Non- assignment of advocate in few of the oldest case, detail of DEO/Account officer/etc. in place of Group A officer suggest lack of proper review of legal cases at various supervising authorities' level.</p>	<p>It is desirable that services of advocate may be used for effectively defending these cases and for early disposal.</p> <p>Advocates may be immediately appointed wherever Advocates are not assigned.</p> <p>There should be constant follow-up with the Advocate and the Court Authorities for regular listing of the cases.</p>

OTHER OBSERVATIONS:

It needs to be ascertained whether sufficient number of advocates have been allotted to these pending cases and whether regular review of advocates regarding this pendency and their evaluation as per the Legal Framework Document are being conducted. If not, then first the existing policies needs to be implemented before inventing innovative solutions/practices for liquidating this pendency. Moreover, unless the implementation of the existing instructions and procedures are made effective, innovative solutions would not serve any purposes.

Some of the measures for reducing the pendency of cases are as follows. Early hearing application may be filed in all cases pending beyond 10 years and should be reviewed on quarterly basis. All efforts should be taken to ensure that all relevant parties receive notices, etc. and court notices to police authorities are served in time, to avoid unnecessary delays. In

Review meetings of the Advocates, it must be regularly instructed to attend all the hearings personally and press for hearings, instead of frequent adjournments. The Advocates should also be instructed to raise objections, if the other parties repeatedly seek adjournments. The Concerned Regional Office/Zonal Office may discuss their strategy in advance with the advocates and also ensure that the courts notices are served to relevant parties to avoid unnecessary adjournments and the Advocate is well versed with the case and all facts, provisions and documents are made available to them. The petition copies must contain landmark judgments on ground of case as well as recent judgments to avoid unnecessary legal debates. If the judges suggest settlement, then concerned office may actively participate in such discussions. Before filing a prosecution cases, action under section 110 of CrPC, 1973 may be explored as it is for securing future good behavior and is simple and proceedings are completed within six months' time. If still the case pendency continues, some of the young advocates may be employed on contract basis like young professionals for a fixed tenure and they may report to various ACC (HQ) & ACC in field for early disposal of cases and the ACC(HQ)/ACC may monitor their performance on weekly basis to ensure early hearing in all the pending cases under their jurisdiction, leading to effective legal management and liquidation of pendency in favor of the department. Compulsorily an EO/AO Legal on full time basis may be appointed in the regional offices wherever legal cases are more to prepare replies/petitions and to visit lower court at least once a week to pursue the pending cases for early liquidation.

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-signed-



20/03/2025

Abhishek Kumar Mishra, Regional PF Commissioner-II, Head Office	Ram Anand, Regional PF Commissioner-I, PDNASS	K Rupeshor Singh, Regional PF Commissioner-I, RO Barrackpore
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Manipulation in fund management of M/S UPVVNL (UP) – Interim reply – regarding

From : RPFC Exemption, EPFO Ministry of Labour
<rc.exemption@epfindia.gov.in>

Mon, Mar 10, 2025 06:40 PM

 2 attachments

Subject : Manipulation in fund management of M/S UPVVNL
(UP) – Interim reply – regarding

To : tuccindia@gmail.com, tucc cc <tucc_cc@yahoo.co.in>

Cc : Chandramauli Chakraborty
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Ref: (i) Letter No. TUCC/CPFC/211 dated 31.08.2024.
(ii) EPFO HO letter dated 04.11.2024.

Sir,

Please refer to the subject and references cited above.

2. In this connection, it is to bring to your kind notice that the matter of EPFO'S intervention in the matter of appointment of portfolio advisors by individual exempted Trusts is being examined in consultation with the Investment Division of EPFO for issuance of requisite guidelines thereafter.

3. This is for kind information.

[This issues with the approval of ACC (HQ-Exemption)]

With Regards,

**Saurabh Suman Prasad,
RPFC-I (Exemption),
EPFO Head Office.**

 **EPFO+HO+letter+dated+04+11+2024.pdf**
338 KB

 **CBT+member+letter+dated+31+08+2024 (1).pdf**
103 KB