

## MINUTES OF 104<sup>th</sup> MEETING OF THE EXECUTIVE COMMITTEE, CBT (EPF) HELD ON 31<sup>st</sup> October, 2022 AT 09:30 AM

---

The 104<sup>th</sup> Meeting of the Executive Committee, CBT (EPF) was chaired by Ms. Arti Ahuja, Secretary to the Government of India Ministry of Labour and Employment, New Delhi & Chairman, EC. List of attending members is at **Annexure-A**.

2. CPFC welcomed Secretary (L&E) and all other members to the 104<sup>th</sup> Meeting of the EC. She informed that there are four agendas out of which agendas on Annual Report, Audited Annual Accounts and Information Security Policy were already circulated. The minutes of the 103<sup>rd</sup> EC meeting is being placed for perusal and consideration of the Executive Committee.

3. Chairperson also welcomed all the members and informed the members that EPFO is at the top among all the Govt. departments in timely redressal of the Grievances and congratulated CPFC for this achievement. She informed that the agendas for discussions today were also placed before the 103<sup>rd</sup> Executive Committee meeting held on 19.10.2022 but could be discussed at length due to the paucity of the time.

4. The Agenda Items were then taken up for the discussions:

### **Item No. 1: Draft 69<sup>th</sup> Annual Report on functioning of the Employees' Provident Fund Organisation (EPFO) for the year 2021-22**

CPFC apprised the Chairperson that as directed in the 103<sup>rd</sup> Executive Committee, a webinar for all the CBT members was conducted to discuss the Annual Report and Audited Annual Accounts. She informed that CBT members have given very constructive ideas during the webinar and assured that these would be taken up while preparing the next year's Annual Report and Audited Annual Accounts.

Shri Dilip Bhattacharya informed that he had given suggestions earlier in the Annual Report. He stated that minimum pension of EPS pensioners needs to be enhanced. He also highlighted that there is increase in number of inoperative accounts from 2020-21 to 2021-22 and requested to make efforts to identify the members and disburse their PF with caution.

Shri Harbhajan Singh Sidhu raised the issues of delay in promotions due to the administrative impediments, MACP benefits not being given from the due dates, the cadre restructuring not being implemented in full, non-



finalisation of Recruitment Rules, cut-off marks for compassionate appointments particularly the dependent of the employees who died while performing duties during Covid-19 pandemic, no concrete action on the punitive transfers of officials, unwarranted references to DoPT for clarifications etc. He stated that a note was handed over during the last CBT to JS(SS) on these matters but the reply of the note is still to be received.

He further stated that he had raised issues regarding violations of the EPF Act in as much as there was evasion and underreporting by establishments in Delhi and inadequate actions by EPFO enforcement machinery and requested immediate steps needs to taken to cover the eligible establishments to ensure social security benefits to all the eligible employees. CPFC informed that many of these issues were also raised by the CBT member in the PEIC meeting and actions were being taken and developments would be reported in PEIC. A meeting with Shri Harbhajan Singh Sidhu was held recently and with HR & also with CPFC wherein progress & intervention on various issues was shared. Further, with the sub-committee on HR constituted, many of the HR related issues would be taken up and resolved. Shri Harbhajan Singh Sidhu suggested that the data about the coverable establishments and employees in Delhi is available in the Delhi Government's website.

Shri Dilip Bhattacharya also stated that there are instances of non-compliance by the establishments as regular inspections are stopped as policy and compliance has been left to the choice of the employers. He also stated that the employees are afraid of complaining as there is threat of losing their job.

Secretary (L&E) observed that the Industry Associations must provide assistance in ensuring the coverage of all the eligible establishments. She requested CBT Member Shri Sougata Roy Choudhury, CII to provide such list and stated that EPFO will reach out to those establishments through various industry associations.

Shri Govind Lele suggested that an awareness programme for the establishments may be organised at the district level. He stated that many employees are not aware of the benefits granted under the EPF & MP Act. Secretary (L&E) directed to also conduct the awareness programme along with writing a letter to all the industry associations to ensure the coverage of the eligible establishments.

With these observations, the Executive Committee considered the 69<sup>th</sup> Draft Annual Report for the year 2021-22 and recommended for placing it before the 232<sup>nd</sup> Central Board (EPF) Meeting for adoption.

---

**Item No. 2: Audited Annual Account in respect of Employees' Provident Fund Scheme, 1952, Employees' Pension Scheme, 1995 and Employees' Deposit Linked Insurance Scheme, 1976 for the financial year 2020-21**

CPFC requested members to give their observations on the Annual Accounts for the year 2020-21. CPFC also informed that the Annual Accounts for 2021-22 are also ready and are being audited by C&AG. She informed that EPFO has taken special efforts to bring compilation of Annual Accounts upto date. Executive Committee placed its appreciation on record for the same.

Shri Dilip Bhattacharya raised the concerns about the Interest due on Investments but not received and also the fact that in some instances even realization of principal was stuck, Penal Damages and Interest amount not paid on belated payments by the employers and amount outstanding in respect of the defaulters. He stated that the immediate actions should be taken to realize these outstanding dues so as to provide better benefits to EPF members.

Shri Dilip Bhattacharya also said that position of investments in ETF should also be analysed to minimize the instances of losses, if any, in these investment.

Shri Sunkari Malleshram observed that EPFO has nearly 27 Crore accounts out of which there are nearly 4.64 crores contributing account and nearly 11.72 crores Inoperative Accounts. He requested to clarify the category of other accounts. He further suggested categorising Inoperative Accounts in the number of inactive years (more than 10 years, 05-10 years, 03-05 years and less than 03 years). He also observed that there is surplus interest income in Staff Provident Fund and suggested to distribute the same to the employees of EPFO as part of AKAM celebration. He highlighted that the refund of erroneous TDS is pending for long and requested for the intervention of Labour Ministry to expedite the matter with Ministry of Finance. He requested to clear the suspense accounts. He also suggested separate accounts for Penal Damages.

He observed the variation in pension collection is more than the amount disbursed during the year 2020-21, then how the pension account is in deficit

in actuarial valuation. CPFC clarified that the actuary provides the long term projected data whereas the annual accounts reflect the position in the current year.

He also stated that many accounts are not settled as there are issues of KYC correction pending with the field offices of EPFO.

Shri Govind Lele observed that surplus fund is available in the administrative account of EPFO and highlighted that the interest earned accounts for nearly 50% of the total income in the administrative account in 2020-21. Similarly, there is surplus in the EDLI administrative account also. He suggested that a detailed discussion on administrative account is required to ensure better utilization of the administrative fund.

Shri Sunkari Malleshram also suggested that the eligibility for EDLI benefits may also be relaxed to provide the EDLI benefits to more number of employees.

Shri Dilip Bhattacharya drew the attention of EC to the issue of non-enrollment of the contractual employees and particularly contractual employees and paramedical staff in ESIC hospitals as well as those deployed in Government departments. He also stated that the realization of the dues is also pending due to the litigations and requested to take an action on it. He observed that the audit of many exempted establishments is pending and requested to expedite the same.

Ms. Madhumita Das, JS (F&A) (MoLE) requested to explain the increase in the number of Inoperative accounts. She observed that there is increase in income over expenditure in all account except for EPS where it has gone down. She also observed that as per the Ministry of Finance guideline the Government contribution in EPS accounts cannot remain invested in Public Fund Account from 2020-21 onwards and suggested to place the details of these investments before the Executive Committee at the appropriate time.

CPFC informed that increase in the EPS income is not like EPF as there is ceiling of wages for EPS contribution unlike EPF. She also stated that the investment of Government contribution in EPS will be reflected in the account books for the year 2022-23 onwards and is as per prescribed investment pattern.

CPFC requested FA & CAO to clarify the points raised on Inoperative accounts by the members.

FA&CAO informed the members that the definition of the Inoperative Accounts was changed in 2017 and accounts become inoperative only after attaining the age of 58 years, if no contribution is received for three years. So the cases entering 58 years (where no contribution is received for three years) are adding up to the figures of Inoperative accounts. Further, there are cases where date of birth was not available but are now being made available. Many of these cases are also getting added in the count of Inoperative account.

JS (F&A) requested that the quantum of increase still needs to be analysed. She also suggested that the observations of the C&AG on the SAR paras be acted upon expeditiously and once resolved audit may be requested to drop paras.

Shri Govind Lele stated that earlier the establishments have contributed in the EPF accounts without providing the complete KYC details of the employees particularly in construction sites. These employees are now difficult to identify especially in cases of closed establishments. He requested to identify such cases. Shri Sunkari Malleshram said that the same is also the problem where the recoveries are being made without member details by the recovery machinery of EPFO, on liquidation of companies and court judgments.

Shri Govind Lele also stated that during the "Employee Enrollment Scheme, 2017" campaign, the contributions of old employees were also made by the employers without furnishing the complete details of the employee.

Shri Sunkari Malleshram stated that the KYC are not getting completed in plantation sectors due to the non-availability of the documents required as per the extant rules and suggested that details may be corrected on the basis of the declaration provided by the employers.

Shri Sunkari Malleshram suggested that the matter of the unsettled accounts in the closed establishments may be referred to the regional committees for their opinions. Secretary (L&E) suggested that the matter may be analysed in a time bound manner by a group appointed by CPFC.

Shri Dilip Bhattacharya stated that in many cases the establishments are not closing but are keeping their activities suspended for years together.

Shri Harbhajan Singh stated that the AADHAAR should be mandatorily taken as the KYC document.

Members suggested removing the wage ceiling of Rs. 15000 for EPS contributions.

CPFC welcomed the constructive suggestions and assured to take all the measures to work on the suggestions by the members.

As regards to the administrative fund surplus from interest income she highlighted that the EPFO is having nearly 40% vacancies and their recruitment process has started by having MOU with National Testing Agency. She assured that service deliveries will improve with these new recruitments.

Shri Harbhajan Singh stated that the efforts may be made to resolve the issue relating to utilisation of land of the Gurugram Office. CPFC apprised that the matter is being taken up with the Haryana Government authorities regarding the usage category and new space is being identified in the vicinity.

She also informed that the actuarial valuation of the EDLI is underway and will be placed before EC and CBT for information and further necessary action. Further, the physical infrastructure of the EPFO also needs to be improved as many offices are working from the rented premises. She also informed that the District Offices also needs to be strengthened.

Shri Sunkari Malleshram stated that at many places multiple offices are working in the same building. He suggested that the appropriate powers may be delegated to the Zonal Office or Regional Office for improving the physical infrastructure. CPFC assured that appropriate powers will be delegated to the functionaries down the line and informed to the Board.

Shri Dilip Bhattacharya stated at some places the losses are shown in securities. FA&CAO informed that it is due to the interest received after the closure of the financial year which will be reflected in the next year's account.

In the light of foregoing discussions, Chairperson gave the following directions:

- to carry out an exercise to identify the members of Inoperative accounts by data matching with the existing members.
- data analysis of the various issues leading to Inoperative accounts and non-settlement of claims in closed establishment.
- a drive may be carried out in the plantation sector for KYC completion. She directed to carry out a test case by tri-partite representative team in

Nizamabad & Sagar for beedi workers and in eastern region for Tea plantation workers.

- She directed that the regional committee should have a meeting to discuss the issues of un-settled accounts in the closed or suspended establishment and provide a solution to redress such issues.

The Executive Committee considered the Audited Annual Account for the year 2020-21 and recommended for placing it before the 232<sup>nd</sup> Central Board (EPF) meeting for adoption.

---

### **Item No. 3: Approval of the Information Security Policy of Employees' Provident Fund Organisation**

Chairperson desired whether the instructions of the MeitY on the subject matter have been adhered to. CPFC informed that the Information Security Policy has been based on various MeitY policy and restrictions.

Shri Govind Lele suggested including the provisions for audit by Cybersecurity and Infrastructure Security Agency (CISA) authorised persons.

JS(F&A) suggested EPFO to have a dedicated team for the IT security.

CPFC informed that EPFO have engaged CISO and CTO on deputation and audit provisions are part of the Information Security Policy. However, if need be appropriate enhancements can be considered in future.

Secretary directed that Cyber Security Audit needs to be carried out periodically.

After the above discussions, Information Security Policy was approved by the Executive Committee

---

### **Item No. 4 (Tabled): Draft minutes of the 103<sup>rd</sup> meeting of the Executive Committee, CBT (EPF) held on 19.10.2022**

Shri Sunkari Malleshram suggested having a calendar for the Executive committee meeting. The Chairperson/Secretary(L&E) directed that the Executive Committee meeting on Hybrid mode be held on 25<sup>th</sup> or the next working day of every month. She suggested that EPFO should hold a pre EC meeting webinar, if felt necessary, to discuss the important agenda items threadbare.

---



It was requested by the EC members to provide the agenda items in advance so that constructive suggestions may be provided during the meetings. Chairman directed that the tentative list may also be provided to the member well in advance.

Chairperson directed that for the next EC meeting the agenda items on which the decision could not be taken in the 103<sup>rd</sup> EC meeting will only be taken.

JS(F&A) suggested that meeting of the HR sub-committee may be convened immediately as many matters are to be placed before EC after their consideration in HR Sub-Committee. CPFC directed ACC(HQ) to hold the HR Committee on or before 15<sup>th</sup> November, 2022.

The draft minutes of the 103<sup>rd</sup> Meeting of the Executive Committee, CBT(EPF) were considered and approved by the Executive Committee.

The 104<sup>th</sup> Executive Committee Meeting was concluded with a vote of thanks to the Chair.

\*\*\*\*\*



## ANNEXURE -A

### List of members who attended 104<sup>th</sup> Meeting of Executive Committee, CBT(EPF)

1	<b>Ms. Arti Ahuja</b> Secretary to the Government of India, Ministry of Labour & Employment	<b>Chairman</b>
2	<b>Ms. G Madhumita Das</b> Joint Secretary & Financial Advisor Ministry of Labour & Employment	<b>Central Government Representatives</b>
3	<b>Ms. Vinita Vaid Singhal</b> Principal Secretary (Labour), Govt. of Maharashtra, Labour Department <b>(attended virtually)</b>	<b>State Government Representatives</b>
4	<b>Shri Prem Prakash Singh,</b> Special Secretary, Govt. of Uttar Pradesh, Labour Department	
5	<b>Shri Sougata Roy Choudhury</b>	<b>Employers' Representatives</b>
6	<b>Shri Govind Lele</b>	
7	<b>Shri Harbhajan Singh Sidhu</b>	<b>Employees' Representatives</b>
8	<b>Shri Sunkari Mallesham</b>	
9	<b>Shri Dilip Bhattacharya</b>	
10	<b>Ms. Neelam Shami Rao</b>	<b>CPFC &amp; Member Secretary (Ex-Officio)</b>

The following members could not attend the meeting:-

1	<b>Addl. Secretary or Joint Secretary (SS),</b> Ministry of Labour & Employment	<b>Central Government Representatives</b>
2	<b>Secretary to the Government of Haryana,</b> Labour & Employment Department, Chandigarh	<b>State Government Representatives</b>
3	<b>Shri Arun Chawla</b>	<b>Employers' Representatives</b>