



केन्द्रीय विद्यालय संगठन  
KENDRIYA VIDYALAYA SANGATHAN  
18-संस्थागत एरिया, शहीद जीत सिंह मार्ग  
18-INSTITUTIONAL AREA, SHAHEED JEET SINGH MARG,  
नई दिल्ली / NEW DELHI -110016  
Email ID:-kvshqepf@gmail.com

F.No.110125/2016/KVS/PF./Misc.

Dated:10/08/2016

The Deputy Commissioner/Director,  
Kendriya Vidyalaya Sangathan,  
All Regional Offices / ZIETs.

Sir/Madam,

Sub: Recovery of Provident Fund under EPF Scheme, 1952 – Reg.

With reference to the captioned subject, I am to forward herewith a copy of DO. letter no.EPF/Addl. CPFC/UP&BR/133-A/730 dated 09.06.2016 of Dr. V P Singh, Additional Central P.F. Commissioner(Uttar Pradesh & Bihar) which is self-explanatory.

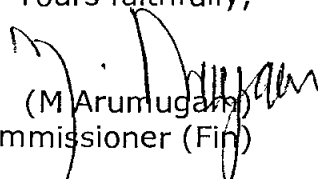
The salient points brought out in the letter are reproduced below:

1. Establishments are not seriously paying attention in respect of compliance of employees engaged through the contractor/outsourcing agencies due to which the contractors are either not complying or complying in respect of a few employees only and doing embezzlements by not remitting the provident fund and other dues deducted from the salaries / wages of the employees and taking the employer share from the principal employer.
2. It is the statutory responsibility of the Principal employer as provided under Section 8A of the Employees' Provident Fund and Miscellaneous Provisions Act 1952 to ensure the compliance in respect of the employees engaged through the contractors / outsourcing agencies.
3. One copy of the tender along with the work order should be uploaded under the link "For Principal Employer" on the website "epfindia.gov.in". The work orders in respect of all the contractors having the strength of even less than 20 must be uploaded.
4. In the tender for labour/manpower supply contracts, compliance by contractors regarding compliance of EPF and MP Act 1952 need to be specified along with other labour laws.
5. Principal employers/DDOs should get a copy of ECR, e challan and salary/wages register reflecting PF deductions before releasing payments to contractors.
6. Separate ECR and separate e-challan should be demanded every month in respect of manpower deployed in a particular office for which DDO is to release the payments to the contractors

7. DDOs can check the name of all the employees with regard to ECR from the website of EPFO i.e. epfindia.gov.in.
8. EPFO has provided a facility to verify the actual payment of the dues with reference to transaction number of e-challans. Whenever any e challan is received along with ECR for crediting PF dues in the accounts of individual members, a TRRN No. is generated for e challan. With reference to this TRRN No. actual deposit can be verified from EPFO website to prevent submission of fake challans by the contractors.
9. Individual members can also verify the same by doing registration in the EPFO website and a DDO can ask any member at random to check whether the dues are being deposited by the contractor fully without any manipulation/misappropriation.
10. Members with activated UAN get SMS about PF credited every month. Further at the end of the year, EPFO generates statement of account of individual members' account reflecting opening balances, contributions, withdrawals, interest and closing balance. DDOs should ask for distribution of these annual statements of accounts in his office.
11. Employees may be guided to obtain e-passbook from EPFO website.
12. Principal employer should insist EPF and ESI No. on ID Card of contractors employees so that individual employee can also check the contribution deposited by registering on the EPF website through employees portal. Even DDOs can call any employee and sample check the e-passbook to ascertain whether PF dues have been deposited in workers accounts.
13. In case any contractor has not credited / short credited the employer's share of PF contribution which he was bound to pay under the law, the matter should be reported to the Station House Officer.

Encl.: as stated.

Yours faithfully,

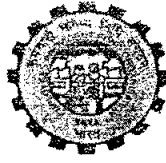
  
(M Arumugam)  
Joint Commissioner (Fin)

Copy to:

1. Dr. V P Singh, Additional Provident Fund Commissioner (Uttar Pradesh & Bihar), EPFO, Ministry of Labour & Employment, Bhavishya Nidhi Bhavan, Sarvodaya Nagar, Kanpur208005 - for favour of his kind information.
2. The Joint Commissioner(Adm), KVS(HQ), New Delhi - for information with reference to the Security, House Keeping and other contracts, if any.
- ✓ 3. The Deputy Commissioner, EDP Cell, KVS(HQ), New Delhi - with the request to upload it on KVS website under 'Announcements'.
4. The Finance Officer (Cash&Audit), KVS (HQ), New Delhi.

Joint Commissioner (Fin)

*Navaz* *Kax*



डा. वी. पी. सिंह,  
अपर केन्द्रीय भविष्य निधि आयुक्त,  
उत्तर प्रदेश एवं बिहार

Dr. V. P. Singh,  
Additional Central P. F. Commissioner,  
(Uttar Pradesh & Bihar)

Employees' Provident Fund Organisation  
(Ministry of Labour & Employment, Govt. of India)  
Office of the Addl. Central P. F. Commissioner  
Bhavishya Nidhi Bhawan, Sarvodaya Nagar,  
Kanpur - 208 005  
दूरभाष/Telephone: 2225205, फैक्स/Fax: 2225204

अ०शा० संख्य/ D.O. No : EPF/Addl. CPFC/UP&BR/133-A/ 730

दिनांक/Dated: 09.06.2016

Dear, Malji

As you are well aware that Employees' Provident Fund Organization is an statutory body set up under the Act "the Employees' Provident Fund and Miscellaneous Provisions Act, 1952" for providing social security benefits to each and every eligible employee working in factories and other establishments.

As per the provisions of the Act "employee" means any person who is employed for wages in any kind of work, manual or otherwise, in or in connection with the work of an establishment and who gets his wages directly or indirectly from the employer and include any person employed by or through a contractor in or in connection with the work of the establishment.

It has been observed that establishments are not seriously paying attention in respect of the compliance of employees engaged through the contractor/outsourcing agencies due to which the contractors are either not complying or complying in respect of very few employees only and doing embezzlements by not remitting the provident fund and other dues deducted from the salaries/wages of the employees and taking the employer share from the principal employer.

In this connection various complaints from employees and trade unions workers are being received on account of non-payment of provident fund contributions to the accounts of employees through contractors engaged by the principal employer.

It is the statutory responsibility of the principal employer as provided under section 8A of the said Act to ensure the compliance in respect of the employees engaged through the contractors /outsourcing agencies. In order to secure and verify the compliance, a link - "**For Principal Employers**" on our web-site [epfindia.gov.in](http://epfindia.gov.in) has been conceptualized to facilitate the principal Employers, the procedure in concise manner on "**How to prevent Misappropriation of PF dues by contractors**" is annexed herewith for ready reference.

In this connection, henceforth it is hereby requested that one copy of the tender along with the work order be uploaded under the link "For Principal Employer" on above mentioned .our official website. It is also made clear that the work orders in respect of the all contractors having the strength even less than 20 must also be uploaded.

With regards

Handwritten signature of Shri Santosh Kumar Mal

के.वि.स. अ.आ. (प्रशा.)  
KVS Adm. Corp. (Adm.)  
27 JUN 2016  
उपरी सं./Dy. No. 3557 (Dr. V. P. Singh)

TO,  
Shri Santosh Kumar Mal,  
Commissioner, Kendriya Vidyalaya Sangathan,  
18, Institutional Area, Saheed Jeet Singh Marg,  
New Delhi-110016

197/PF  
11/7/16  
cc (in)  
11/7/16

## How to Prevent Misappropriation of PF dues by Contractors

- 1.1 For the tender for labour/manpower supply contracts, compliance by contractors regarding compliance of EPF & MP Act, 1952, need to be specified alongwith other labour laws. Names of contractors covered under EPF & MP Act can be searched and downloaded from website - [epfindia.gov.in](http://epfindia.gov.in).
- 1.2 Principal employers/D.D.Os should get a copy of ECR, e-challan and salary wages register reflecting PF deductions before releasing payments to contractors.
- 1.3 Under the statutory provisions, employee wise details of PF dues deducted from the salary wages of the employees, alongwith 12% employer share, are submitted in the form of **electronic challan cum return (ECR)**, thereafter, e-challan is generated from the EPF website. Since the consolidated ECRs of the contractors regarding manpower supplied to all public and private sectors will be very bulky and will create confusion-excessive time and energy consumption at the level of DDOs, hence separate ECRs and separate e-challan as stated above are very important to prevent manipulations. Cheating by the contractors can be prevented by demanding separate ECR and separate e-challan every month in respect of manpower deployed in a particular office, department for which DDO is to release the payments to the contractors.
- 1.4 DDOs can check the name of all the employees with regard to ECR from the website of the EPFO i.e [epfindia.gov.in](http://epfindia.gov.in).
- 1.5 EPF Organisation has provided a facility to verify the payment of the dues with reference to transaction number of e-challans. Whenever any e-challan is received alongwith ECR for crediting PF dues in the accounts of individual members, a TRRN No. is generated for e-challan. With reference to this TRRN No. actual deposit can be verified from the EPFO website to prevent submission of fake challans by the contractors.
- 1.6 From April 2012 onwards, monthly contributions received through ECR and e-challans are being credited in the individual members account within one month from the date of deposit. Individual members can also verify the same by doing registration in the EPF website. A DDO can ask any member at random to check whether the dues are being deposited by the contractor fully without any manipulation/mis-appropriation.
- 1.7 Members with activated UAN get SMS about PF credited in their account every month. Further at the end of the year, EPFO generates statement of account of individual members' account reflecting opening balances, contributions, withdrawals, interest and closing balance, etc. DDOs should ask for distribution of these annual statements of accounts in his office/department.
- 1.8 Employees may be guided to obtain e-passbook from EPFO website.
- 1.9 Principal employer - Departments should insist EPF & ESI No. on ID Card of contractors' employees so that the individual employee can also check the contribution deposited by registering on the EPF website through employees portal. Even, DDOs can call any employee and sample check the e-passbook to ascertain whether PF dues have been deposited in workers' accounts.

No. \_\_\_\_\_

Date:-

To,

The Station House Officer

\_\_\_\_\_  
\_\_\_\_\_

Subject: F.I.R. under section 418 of Indian Penal Code.

Sir,

1. M/s \_\_\_\_\_ is covered under the Employees Provident Funds and Miscellaneous Provisions Act' 1952 having Provident Fund Code No. \_\_\_\_\_ hereinafter stated as establishment. Sh. \_\_\_\_\_ Director/Partner/Proprietor is responsible person for the conduct of the business of the establishment. He is the employer within the meaning of Section 2(e) of the EPF & MP Act' 1952 and hereinafter stated as 'employer'.

2. Whereas the employer has received 12% of wages as employer's share of Provident Fund dues amounting to Rs. \_\_\_\_\_ from \_\_\_\_\_ (Government Department/Office in respect of employees engaged in this office/department during the period from \_\_\_\_\_ to \_\_\_\_\_. This 12% employer's share of PF dues is payable under Section 6 of EPF & MP Act. 1952 in the respective accounts of employees (Annexure- I)/Pension Fund maintained by statutory authority viz EPF Organisation. Further Employer has received 1.61%/1.36% Insurance Fund dues (EDLI) and administrative charges on PF & EDLI from the said Government Department/Office

3. Whereas it has been confirmed by the accounts department/EO of EPF Organisation from the accounts of employees that the establishment has remitted an amount of Rs. \_\_\_\_\_ only for the period from \_\_\_\_\_ to \_\_\_\_\_ as employer's share of PF contribution thereby making a short deposit of Rs. \_\_\_\_\_. Thus the employer has cheated with knowledge amount of Rs. \_\_\_\_\_ that he is likely thereby to cause wrongful loss to the employees listed in Annexure - II as he has not credited/short credited the employer's share of PF contribution which he was bound to pay under the law.

4. In view of this , it is clear that the amount received as employer's share of PF contribution amounting to Rs. \_\_\_\_\_ has not been remitted for crediting in the accounts of employees as PF/Pension Fund contribution within 15 days of close of every month in violation of requirement of Para 38(1) of Employees Provident Fund Scheme, 1952 by the aforesaid persons of M/s \_\_\_\_\_ and they have committed cheating with knowledge within the meaning of section 418 of the Indian Penal Code and liable to be charged for cheating with the employees.

Contd...p/2

[ 2 ]

I am therefore, to bring the matter to your notice that this letter may be treated as F.I.R. Sh.

\_\_\_\_\_ Director/Partner/Proprietor may be proceeded against for the aforesaid offence.

In case, any other assistance/information is required in this connection, reference may be made to the undersigned.

Encls: Annexure – I & II.

Yours faithfully

Copy to:

1) The Assistant Commissioner of Police.  
\_\_\_\_\_

2) The Commissioner of Police  
Police Head Quarters  
Indraprastha Estate  
New Delhi – 110002.



