



कर्मचारी भविष्य निधि संगठन
(श्रम एवं रोजगार मंत्रालय, भारत सरकार)
EMPLOYEES' PROVIDENT FUND ORGANISATION
(Ministry of Labour & Employment, Govt. of India)
मुख्य कार्यालय / Head Office
भविष्य निधि भवन, 14-भीकजी कामा प्लेस, नई दिल्ली-110 066.
Bhavishya Nidhi Bhawan, 14, Bhikaiji Cama Place, New Delhi - 110 066.

No.C-I/1(33)2019/Vivekanand Vidyamandir/ 717

Date: 28.08.2019

To,

All Addl. Central P F Commissioners (Zones)
All Regional P F Commissioners (Regional Offices)

Sub:- Notice to establishments for inspection in the wake of Judgment dated 28.02.2019 of Hon'ble Supreme Court of India in civil appeal 6221 of 2011 and batch of SLPs- Regarding

Sir,

Please refer to this Office letter no.LC-2(578)/2007/WB/18855 dated 14.03.19 regarding the judgment dated 28.02.19 of Hon'ble Supreme Court of India in the Civil Appeal 6221 of 2011 and other connected matters. It is further informed that review petition has been filed by some aggrieved parties before Hon'ble Supreme Court and is pending for adjudication.

2. It has come to notice of the EPFO, Head Office that several field offices have issued notice to the employers, quoting the aforesaid judgment of Hon'ble Apex Court of India, proposing inspection of records for past three to five years to ascertain the wage structure to find out if any allowances which were part of basic wages have been omitted for the purpose of compliance. There is no reason or justification to initiate roving inquiries into the wage structure of the complying establishments on the surmise that certain allowances in the nature of basic wages might not have been treated as part of pay for EPF contributions.

3. In all the cases where notices have been issued without any prima facie evidence of arbitrary bifurcation of wages with intention to avoid EPF liability, such notices should not be pursued further. Such action amounts to roving inquiries / investigations which is impermissible in law. Anyone found indulging in such practices may face administrative action.

4. Inspections / investigations shall be carried out after taking permission from CAIU and following the administrative guidelines and policy only in those cases where credible basis is available for forming a view that the employer has prima facie indulged in illegal practice of avoiding EPF liability by splitting the basic wages. Also the provision of Para 2(f) of the EPF Scheme, 1952 must be kept in view while computing any liability on account of illegal wage splitting.

5. In the ongoing cases under Section 7A in which such issue has been framed the assessing officer may assess the dues, if any, after consideration of facts of the case. No coercive action shall be taken for recovery of dues till disposal of the review petition filed by concerned employers which is pending before Hon'ble Supreme Court of India.

[This issues with the approval of Central PF Commissioner]

Yours faithfully,



(Jagmohan)

Addl. Central PF Commissioner-HQRS.(Compliance)