



(श्रम मंत्रालय भारत सरकार)
Employees' Provident Fund Organisation
(Ministry of Labour, Govt. Of India)

मुख्य कार्यालय / Head Office
भविष्य निधि भवन, 14-भीकाजी कामा प्लेस, नई दिल्ली-110066
www.epfindia.gov.in/www.epfindia.nic.in

(CENTRAL ANALYSIS & INTELLIGENCE UNIT)

No.CAIU/RTI/17/2017

Date: 05.10.2017

To

13502
The Regional P.F. Commissioner-I,
National Data Centre,
Dwarika,
New Delhi-110 023.

05 OCT 2017

Sub:- Frequently Ask Question on Inspection Policy- Regarding.

Sir,

Please find enclosed herewith the Frequently Asked Questions (FAQs) on Inspection Policy and answer prepared on the direction of Central Information Commission for uploading the same on the official website.

Yours faithfully,

Encl: As above

(A.K. Mandal)
Regional P. F. Commissioner-I (CAIU)

FREQUENTLY ASKED QUESTIONS (FAQs)
ON INSPECTION POLICY

Q.1 What are the regulations under which establishments covered under EPF & MP Act, 1952 are being inspected?

A. Establishments are inspected as per the inspection Policy of the Employees' Provident Fund Organization, which have been circulated vide Circular No.MIS-2(4) CAIU/Web Portal/2014-15/dated 26.06.2014 (copy attached).

Q.2 Which are the establishments exempted from inspection under EPF & MP Act, 1952?

A. Following establishments have been exempted from inspection:-

- a. For the first year of setting up of the Start-ups, such establishments may not be inspected under EPF & MP Act, 1952. These Start-ups may be asked to submit an online self-declaration instead.
- b. Start-ups are allowed to submit self-certified returns under EPF & MP Act, 1952. From the second year onwards, up to five years from the setting up of the unit, such Start-ups may be taken up for inspection only when very credible and verifiable complaints of violation is filed in writing and the approval has been obtained from the Central Analysis and Intelligence Unit (CAIU).

Q3. What are the different types of inspection?

- A.
 - i) Mandatory inspection
 - ii) Inspection can be conducted in cases forwarded through CAIU of EPFO
 - ii) Optional inspection

Q.4 What are the different criteria under which establishments are being selected for inspection?

A. The criteria for inspection will be mandatory for following all units:-

- i) All establishments registered on ECR portal, not marked as closed and not complying and
- ii) Establishments reported for closure.

B. Optional Inspections:-

In the following cases, the inspections would be generated through computer using pre-decided number tables taking into account the drop in remittance/membership as compared to last quarter as per following parameters:-

- i. Remittance drop in excess of Rs. 10,000/- and 15% (weightage of 1:1)(40%).
- ii. Membership drop in excess of 50 members and 15% (weightage of 1:1)(40%).
- iii. All other Units (20%)
- iv. Normally not to be repeated in the same year as far as possible.

Q.5 How are the establishments selected for inspection?

A. With a view to simplify business regulation, a transparent Inspection Policy with system driven triggers equipped with relevant norms and criteria have been formulated for ensuring more accountability, transparency and for minimizing frequent inspections of same unit.

Q.6 What is the frequency of inspection?

A. Normally an establishment may be selected for inspection only once in a year.

Q.7 Whether it is possible to see inspection report on the website?

A. No, it is not possible to see the inspection report on the website.

Q.8 What action will be taken against the establishment who are violating the provisions under EPF & MP Act, 1952?

A. In case any establishment which is found to have been violating the rules and regulations under the EPF & MP Act, 1952, suitable action as prescribed under the EPF & MP Act, 1952 and allied Schemes frame thereunder may be taken against the said establishment.

Q.9 Whether the Inspection Report can be provided on demand of the complainant?

A. Yes, the Inspection Report can be provided on demand of the complainant subject to the exclusion as prescribed under the RTI Act, 2005.



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Employees' Provident Fund Organisation
Ministry of Labour & Employment, Government of India

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No. MIS-2(4)CAIU/Web Portal/2014-15/

Dated: 26-06-2014

To,

Additional CPFCs in charge of Zones
Regional PF Commissioners in-charge of ROs/SROs

Subject: Inspection Scheme of the Employees' Provident Fund Organization

Sir,

With a view to simplify business regulation, a transparent Inspection Policy with system driven triggers equipped with relevant norms and criteria have been formulated for ensuring more accountability, transparency and for minimizing frequent inspections of same unit. The details of the Inspection Policy as approved by the Chairman, CBT, EPF are mentioned below:-

2. **Objective:** The Inspection Scheme aims to achieve the objective of simplifying business regulations and bring in transparency and accountability in labour inspections. It envisages objective criteria for selection of units for inspection.

3. **Criteria of Inspections**

a. **Mandatory Inspections:-**

1. In the following cases, the inspections will be mandatory for all units:-

- i. All new coverages;
- ii. All establishments registered on ECR portal, not marked as closed and not complying; and
- iii. Establishments reported for closure.

b. EPFO would set up a Central Analysis and Intelligence Unit (CAIU) for collecting and analysing field level data for a transparent and accountable labour inspection system. The cases forwarded through Central Analysis & Intelligence Unit (CAIU) of EPFO will be based on

data and evidence. EPFO will formulate an objective methodology for selection criteria of the cases by the CAIU keeping in view its priorities and the provisions of ILO C-81.

c. Optional Inspections:-

In following cases, the inspections would be generated through computer using pre-decided number tables taking into account the drop in remittance/membership as compared to last quarter as per following parameters:-

- i. Remittance drop in excess of ₹ 10,000/- and 15% (weightage of 1:1)[40%]
- ii. Membership drop in excess of 50 members and 15% (weightage of 1:1)[40%]
- iii. All other Units [20%]
- iv. Normally not to be repeated in the same year as far as possible.

4. Methodology:

- i. Employers to feed master data and periodical returns.
- ii. Inspectors to feed detailed inspection report.
- iii. Computer programme to be provided by NIC taking into account the criteria.
- iv. Computerized generation of inspection programme and communication to the inspecting staff keeping in view the confidentiality aspects.

5. General Instructions:

- i. The Inspecting Officer has to maintain registers of the establishments.
- ii. He has to record the statement of workers present at the time of inspection.
- iii. In case of contradiction in the statements of employer's, worker and entries in the record, the inspecting officer will seize the relevant records.
- iv. Inspection report should always be prepared on the work-spot by the inspecting officer himself and handover to the employer's representative.
- v. The inspection should be carried out during the normal working hours as far as possible.
- vi. The inspection report is being simplified and under review/revision.
- vii. The inspection report should be uploaded within 3 days by the inspector.
- viii. In case of violations by the inspecting staff, entries shall be recorded in APAR.

Yours sincerely




(Navendu Rai)

Regional Commissioner-II

Copy for information and necessary action to:

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2. ACC(IS)
3. CVO
4. ACC(HR)
5. ACC(P)
6. ACC(C)
7. ACC(CSD)
8. Director (NATRSS)/RPFCs in-charge of ZTIs
9. CE (PFD)
10. All RPFCs/APFCs
11. PS to CPFC for information.
12. DD(OL) for providing Hindi version


26/6/2024

(Navendu Rai)
Regional Commissioner-II