



कर्मचारी भविष्य निधि संगठन
श्रम मंत्रालय भारत सरकार
Employees' Provident Fund Organisation
(Ministry of Labour, Govt. Of India)
भविष्य निधि भवन, 14 - भीकाजी कामा प्लेस, नई दिल्ली -110066
Bhavishya Nidhi Bhawan, 14 - Bhikaji Cama Place, New Delhi - 110066
www.epfindia.gov.in ,www.epfindia.nic.in

No. *Exem/10(20)/2016/Vol-III/10735*

Date: *29 SEP 2017*

To

All Addl. Central PF Commissioners (Zones),
The Regional P.F. Commissioners (Officers-in-charge), Regional Offices,

Subject : Filing of Returns, Transmitting details of Members' Account Electronically and Better Management of Investment made by the Trust of Exempted Establishments - Regarding.

**Reference : Head Office Circular No. C-Misc./Ex. Return/2013/Vol-II/7247
Dated : 19.07.2017.**

Sir,

Please refer to the subject and reference cited above.

2. Vide circular under reference above, it was directed that all field offices shall ensure filing of online returns by the exempted establishments before 25.07.2017. If any establishment will miss the due date, then such establishment should be inspected and action must be taken against the defaulting establishment. It has come to the notice from the dashboard that more than 700 establishments have not filed the monthly returns for the month of July 2017. RPFCs should ensure compliance of all the exempted establishments regarding filing of online monthly/annual returns. All Addl. CPFC Zones are hereby directed to take review of the situation and immediately inform the Head Office about the actions taken by the field offices in this regard.

3. Returns are the basic records communicated to EPFO through which exempted establishments are expected to comply with the requirements of management of the Trust funds. Since compliance audit is an annual exercise, these returns form the basic indicator about the health of the exempted establishments and their Trusts enabling the field offices to identify the defaulting establishments and to assess and mitigate the default. In this regard, the field offices are directed to issue the Show Cause Notice to all the defaulting establishments, which have not filed the online returns, on or before 05.10.2017. Appropriate action should be taken against the defaulting establishments as per law including cancellation of exemption/withdrawal of relaxation.

4. EPFO has put in place a mechanism to communicate remittances to the member's account to the member through UMANG mobile App e-passbook. Every Trust of the exempted establishment shall likewise communicate to their members through SMS on mobile phones, emails or mobile e-passbook about the receipt of contribution in the account of the member every month, within two days of receipt of remittance from the exempted establishments.

5. Subsequent to the installation of online dashboard for filing online returns, it has been observed that few Trusts of EPF exempted establishments are not able to declare the rate of interest at par with EPFO. Condition No. 7 of Appendix – 'A' to Para 27AA of the EPF Scheme, 1952 states the following-

Any deficiency in the interest declared by the Board of Trustees is to be made good by the employer to bring it up the statutory limit.

Further, Condition No. 28 of Appendix – 'A' to Para 27AA of the EPF Scheme, 1952 states the following-

In the event of any loss to the trust as a result of any fraud, defalcation, wrong investment decisions etc. the employer shall be liable to make good the loss.

6. Since, inefficient investment decisions and poor investment processes can result in losses, it is in the interest of the exempted establishments to develop and follow better investment practices. Investment Committees may be constituted by Trusts consisting of financial experts as deemed fit by the Trustees for advisory purpose to ensure optimal financial management of the Trust funds.

Yours faithfully,



(Dr. V. P. Joy)
Central Provident Fund Commissioner