

दूरभाष न. 26173877

फैक्स न. 26174207



कर्मचारी भविष्य निधि संगठन
Employees' Provident Fund Organisation

(श्रम एवं रोजगार मंत्रालय, भारत सरकार)

(Ministry of Labour & Employment, Govt. Of India)

(मुख्य कार्यालय) / Headquarters Office

भविष्य निधि भवन, 14 भीकाएजी कामा प्लेस, नई दिल्ली - 110066.

Bhavishya Nidhi Bhawan, 14-Bhikaiji Cama Place, New Delhi-110066

No. RRC.II/28(31)07/53677 to 53777

Dated : 17th October, 2007

To

- (1) All Regional P.F. Commissioners
In-Charge of the Regions
- (2) All Officers-in-Charge, Sub-Regional Offices

Subject Arrangements for smooth exercise of powers under Sections 7A, 7B, 7C/14B of the EPF & MP Act, 1952 – Administrative scrutiny of the orders – Instructions - Regarding.

Sir,

It is observed that there is wide gap between the number of defaulting establishments as per CCTS as well as other reports and the number of cases in which action is initiated under Section 7A/14B of the Act. Unless timely action is not taken u/s 7A/14B, recovery thereafter will become difficult. Besides it will ultimately force the establishments to become chronic defaulters. Hence, there is an urgent need to increase the number of officers doing the original work of assessment, using the existing man power itself so that prompt action could be taken to assess the dues w.r.t. all defaulting establishments.

2. In supersession of the earlier instructions regarding the exercise of powers by the APFC/RPFC-II/RPFC-I under Sections 7A, 7B, 7C/14B, the following instructions are, therefore, issued for strict compliance hereafter.

➤ **Assessment under Section 7A:**

- The APFC (Comp.)/RPFC-II (C&R)/RPFC-I shall exercise the original jurisdiction under Section 7A;
- The allocation of work among them will be decided based on the member strength as indicated below, reckoned with reference to the subscriber strength for the month immediately preceding the

commencement of default (i.e. the latest information available on records):-

Establishments with members upto 250	APFC
Establishments with members 251 to 1000	RPFC-II
Establishments with members 1001 and above	RPFC-I

➤ **Review under Section 7B:**

- (i) In respect of review application from the establishment the powers under Section 7B to review the orders passed under Section 7A will be exercised by an officer only after obtaining the views of the officer next above in the hierarchy;
- (ii) *If the higher authority on scrutiny of the 7A orders find grounds for action under Section 7B, he shall cause suo moto order for review under Section 7B.*

➤ **Exercising powers under Section 7C for determination of escaped amount:**

Without prejudice to the powers available to the officer who has passed the order under Section 7A, the officer at higher level who conduct supervisory test check of the Assessment may, if he so thinks, direct the concerned officer to exercise the powers under Section 7C or may do it himself treating the orders passed under Section 7A as an order passed by himself in exercise of his original jurisdiction provided, however, that the powers shall be exercised by one of the two only in each case.

➤ **Levy of Damages under Section 14B:**

- (i) The powers will be exercised by the APFC (Comp.)/RPFC-II (C&R)/RPFC-I in the same manner as in the case of Section 7A following the same pattern of allocation of work among them;
- (ii) In addition to the above, if felt necessary in the circumstances of the Region, the RPFC-I may utilize the services of other APFCs/RPFCs also for this purpose by specific allocation of work to them;

➤ **Administrative Scrutiny of Orders issued under Section 7A/14B:**

Instructions were issued in the past that RPFC-II/RPFC-I should carry out supervisory test check of at least 10 assessment orders each month and communicate his remarks/instructions to the Assessing Officer, vide Head Office letter titled COMPLIANCE-2001, dated 27.5.2000, so as to

ensure/improve quality of the assessment orders. But some of the inspection reports/tour notes submitted by the officers after their inspection/tour of the Regions reveal that the same is not being carried out. It is once again reiterated that the RPFC-II/RPFC-I should carry out supervisory test check of the 7A/14B orders passed by the APFC/RPFC-II as the case may be every month and his remarks/instructions should be brought to the notice of the concerned Assessing Officer under intimation to RC-I/ACC of the Zone. Supervisory Test check should be done in respect of the following cases every month:

- (i) All cases initiated based on complaints referred by VIPs/HO/Vig/Trade Unions etc.
- (ii) All cases reviewed under Section 7B resulting in reduced assessment of dues.
- (iii) All cases closed without actual assessment of dues.
- (iv) 10% of the cases other than the above.

Where it is felt necessary during the test check to invoke the provisions of Section 7B/7C, the directions above for invoking the powers under Section 7B/7C, as the case may be, should be followed. Similar exercise may be done by ACC (Zone) at random, in respect of assessment orders passed by APFC/ RPFC-II/RPFC-I.

➤ **General:**

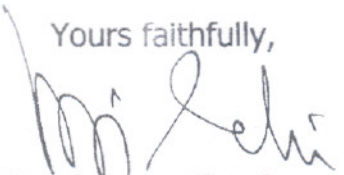
- (i) ***In respect of Sub-Regional Offices headed by APFC/Regions headed by RPFC-II the powers to be exercised by RPFC-II/RPFC-I in the above arrangement, will be exercised by the APFC/RPFC-II in-charge of the SRO/Region, as the case may be, unless alternate orders are issued in any particular case by the RPFC-I/Addl. C.P.F.C.(Zone).***
- (ii) Hob'ble Standing Committee on Labour/Trade Unions etc. have criticized in various forums about the undue delay in the finalization of cases. In view of the above, it is imperative on the part of the RPFC-I, to monitor the disposal of 7A/14B cases as promptly as possible preferably in 3 hearings in a period of 3 months. If there is any delay beyond 3 months, RPFC-I of the Region should personally review all such cases and ensure finalization within a reasonable period of not exceeding another 3 months. For this purpose, RPFC-I should obtain the information of disposal of cases under Section 7A/14B in the

enclosed proforma on monthly basis and submit consolidated return of the Region to ACC(Zone) with his views.

- (iii) ACC(Zone) should in turn monitor the initiation and disposal of cases and take appropriate steps for speedy disposal. He will submit a consolidated return of the Zone (Region-wise) with his views to Head Office on quarterly basis.
- (iv) Relevant provisions of the Act relating to the assessment/levy and the detailed instructions issued on various occasions in the past should be kept in view and followed meticulously to ensure the proper exercise of the power and to avoid unwanted litigations/complaints of misuse of power.
- (v) ***While scrutinizing the cases decided under Section 7A/7B, if it is found that the decision is not according to law and against the interest of the Employees' Provident Fund Organization, provisions of Section 7-I should be invoked.***
- (vi) All the pending 7A /14B cases as on the date of receipt of this letter should be transferred to the respective offices on the above lines and it should be confirmed that the said arrangement is put in place.

Encls: As above

Yours faithfully,



(A.Viswanathan)

Central Provident Fund Commissioner

Copy to:

- (1) PS to CPFC
- (2) FA&CAO
- (3) All Addl. Central P.F. Commissioners of Zones / Head Office
- (4) Director (NATRSS)
- (5) Chief Vigilance Officer
- (6) Director/Deputy Director (Vigilance)/All Zonal Directorates
- (7) All Zonal Training Institutes
- (8) All Zonal Audit Officer
- (9) RPFC(ASD), Headquarters
- (10) Hindi Cell for Hindi version

Monthly Report on Initiation/Disposal of 7A/14B Cases

Name of the Assessing Officer: _____

Month: _____

Nature of Inquiry	OB as on 1 st April	Initiated		Disposed		Inquiry pending at the end of the month for					Remarks	
		During the month	Upto the month	During the month	Upto the month	Less than 3 months	3-6 months	6-12 months	More than a year	Total		
A												
14B												

Dated Signature of the Assessing Officer