

No.F.4(96)/Fin.(Estt.-III)/2010-11/ *dsr/572*  
**GOVERNMENT OF NATIONAL CAPITAL TERRITORY OF DELHI**  
**FINANCE (Estb.-III) DEPARTMENT**  
**4<sup>TH</sup> LEVEL, 'A WING' DELHI SECRETARIAT**  
**I.P. ESTATE, NEW DELHI-110002.**  
**CD:-012150097**

**Dated:-** *10/12/14*

**CIRCULAR**

Attention of all department is invited to the letter received from Employee's Provident Fund Organization, Ministry of Labour & Employment, GOI regarding Ensuring welfare and justice to the poorest of the poor workers drawing less than Rs. 15000/-.

Therefore, all Principal employer/Government Departments/ Agencies/Autonomous Bodies under GNCT of Delhi are requested to ensure full compliance about legal provision as mentioned in aforesaid letter of Employee's Provident Fund Organization, Ministry of Labour & Employment, GOI.

In case of any clarification may be contacted to RPF, (Compliance & Recovery) (Tel. No. 011-27376408), Govt. of India.

  
**(MANOJ KUMAR)**  
**DY.SECRETARY, FINANCE**

To:-

All Pr.Secretaries/Secretaries/HODs of Government Departments/  
Agencies/Autonomous Bodies under GNCT of Delhi.



फोन/Telephone: 011 27376392

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Form 14/1788

**कर्मचारी भविष्य निधि संगठन**  
**EMPLOYEES' PROVIDENT FUND ORGANISATION**  
**श्रम एवं रोजगार मंत्रालय, भारत सरकार**  
**(Ministry of Labour & Employment, Govt. of India)**

(क्षेत्रीय कार्यालय, दिल्ली (उत्तर) /Regional Office Delhi-North)  
भविष्य निधि भवन, 28, सामुदायिक केंद्र, वजीरपुर औद्योगिक क्षेत्र, नई दिल्ली - 110092  
Bhavishya Nidhi Bhawan, Plot # 28, Wazirpur, Industrial Area, Delhi - 110052

To  
Principal Secretary Finance  
A-Wing, 4<sup>th</sup> Level  
Delhi Secretariats  
Delhi-110002.

**Sub: Ensuring welfare and justice to the poorest of the poor i.e. your own workers drawing less than Rs.15000/-.**

This is to bring to your kind notice that EPFO, a statutory body under Ministry of Labour & Employment, Govt. of India has been mandated under the EPF & MP Act, 1952 to extend the social security to employees working in an establishment including those employees engaged by the establishment through contractors by outsourced means. It has come to notice that non compliance of contractual employees is rampant in most of the large establishments, particularly in Government Departments/Agencies leading to evasion and non extension of EPF benefits to such employees. On this issue office has launched a campaign to aware all the big employers, including Government Departments/Agencies to extend the social security benefits to contractual employees as per law. This is a legal duty on the part of all the employers including Government Departments/Agencies to ensure extension of PF benefits to all eligible employees as per law.

It has come to notice that the contractors claim provident fund on full salary/wages of employees from the Principal employer but do not deposit the same with the EPFO, thus cheating both the Principal employers as well as such employees. It is a clear case of FIR u/s 418 of IPC and this office is collecting the required details from the principal employers to ensure penal action u/s 418 of IPC. Under para 29(3) of EPF Scheme, 1952 contribution for PF, Pension & Insurance benefits is payable on actual wages drawn. Subterfuge of law by showing monthly wages more than Rs.15000/- and actually paying lesser wages is not permissible.

2. "In this era of contractualisation/actualization/outsourcing of various jobs, many poor employees actually drawing less than Rs.15000/- are being deprived from PF, Pension and Insurance benefits by contractors. Principal employers may/may not be involved in this major area of evasion and grievance but it does not absolve them from their statutory obligations under the law.

3. All employers must ensure execution of legal provisions in true spirit. Following directions be complied for this purpose:-

3.1 Being Principal Employer you should ensure PF payments in respect of all the contractual employees employed through contractors. In case the Principal Employer is not covered under the EPF & MP Act, 1952, the dues can be deposited by the Principal Employer himself in P.F.Code No. allotted to such contractor after getting copy of separate Electronic Challan cum Return i.e. ECR and e-challan from the contractor. ECR is employee wise monthly return showing PF wages & contributions etc.

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3.2 Thus, if it is not possible for principal employer to deposit P.F. dues in own code number/code number of contractor then following actions be taken to ensure benefits to workers deployed through contractors.

3.3 Principal employers should obtain copies of salary/wages registers signed by employees indicating P.F. Account numbers alongwith soft copy of ECR and ask contractors to deposit separate e-challans in respect of employees employed through contractor. Depositing one challan for labour supplied at various establishments keeps principal employers in dark and gives opportunity to contractors to cheat principal employers and employees both. Many contractors show copy of one consolidated challan to several principal employers without linking it up with ECR.

3.4 Many principal employers don't ask for copy of salary/wage register and ECR before releasing payments to contractors. Later on contractors fled away/vanish. Thus they don't ensure deposit of P.F. dues regarding employees employed through contractors. **Negligence of principal employers doesn't absolve them from aforesaid statutory liability.**

3.5 To avoid cheating through fake challans Principal Employers should also verify veracity of challans submitted by employers from our website with reference of TPRN NO. and list of employees in whose accounts deposits have been received by EPFO.

3.6 To cross check further, they should check e-passbooks generated by a few contractors' employees from EPFOs' website to ensure deposit of full P.F. dues in the accounts of employees employed through contractors.

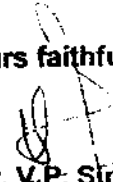
4. In respect of the employees deployed in the uncovered establishments as well as their own office employees, contractors should report compliance in their own P.F. code number.

5. It is made clear that making payment to contractors contrary to legal provisions will not tantamount to valid discharge of statutory obligations and principal employer will be liable for actions specified in the Act. It is not acceptable if simply some copies of challans of contractors by the principal employer are produced without specifically linking the same with copy of ECR showing employee wise P.F. dues regarding contractors' employees working for him and ensuring compliance through credit of P.F. dues in their accounts.

6. Simultaneously, instructions have also been issued to the field functionaries to visit the establishments and communicate these instructions so as to facilitate proper response from your end. It may also be mentioned that the field functionaries shall also be conducting inspections to ensure that there is no evasion of PF dues by the contractors engaged by the big employers including Government Departments/Agencies. You are, therefore, requested to extend full cooperation to extend social security benefits as envisaged under the provision of EPF & MP Act, 1952 to avoid penal action under the law for non extension of these benefits.

All Principal employer/Government Departments /Agencies must ensure full compliance about above legal provisions otherwise this office will be forced to take statutory actions against defaulting principal employers. In case of any clarification either the undersigned or RPF (Compliance & Recovery) (Tel. No. 011-27676408) may be contacted.

Yours faithfully,

  
[Dr. V.P. Singh]

Regional P.F. Commissioner-I, Delhi (North)