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# EXEMPTION MANUAL





कर्मचारी भविष्य निधि संघठन  
**EMPLOYEES' PROVIDENT FUND ORGANISATION**  
श्रम एवं रोजगार मंत्रालय, भारत सरकार  
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Date: 09 NOV 2023

To,

All ACC [HQ]/ACC [Zones]  
Director [PDUNASS]  
All RPF-1/OIC [Field Offices]

**Subject: - Issuance of Exemption Manual, 2023-regarding.**

Madam/Sir,

1. Consequent to the presentation of the Exemption Manual before the Central Board of Trustees, Employees' Provident Fund, in its 234<sup>th</sup> Meeting held at New Delhi on 31.10.2023 and its release on the occasion of 71<sup>th</sup> Foundation day on 01.11.2023, a copy of the Exemption Manual is enclosed herewith for your perusal and adoption. This Exemption Manual provides comprehensive guidelines and instructions for the management of Exemption (PF) in EPFO, as illustrated therein.

2. Salient features of the Exemption Manual:

- Delineation of Scope & Objective of Exemption.
- Detailed guidelines on Grant, Surrender and Cancellation of Exemption.
- Elaborate provisions for Management and Regulation of Exempted Establishments.
- Scenarios for Third Party Audit and Compliance Audit.
- Need for a Governance Structure and the Matrix of Timelines for various processes of Exemption.

3. The Objective of the new manual encompasses

**Standardization of Exemption Procedures:** The new manual aims to establish uniformity and consistency in Exemption procedures.

**Training and On boarding Resource:** It serves as a resource for training and on boarding of new officials to ensure a standardized understanding of Exemption processes.

Reference Document for Decision-Making: The manual to function as reference document, aiding decision-making processes in the context of Exemption.

The basic framework of the Manual is based on the four key operational activities of the Exemption Division; Grant, Regulation and Management, Cancellation and Surrender of exemption. Each chapter clearly segregates the roles and responsibilities of the R.O's and Z.O's and delineates the procedural aspects of every exemption activity in an easy and lucid manner.


The Chapter 7 of the Manual deals with the Governance structure vis a vis exemption and has a blueprint for capacity building at various levels with detailed activities to be performed by Zonal Offices and Head Office. The various timelines for each stakeholder is also prescribed and is an essential component of this chapter.

4. This Exemption Manual is in adoption/supersession of the circulars on exemption attached as Annexure-1. The reference of the said circulars is mentioned in the corresponding SOP's as their respective annexures.

5. You are hereby directed to take necessary action in order to adopt the provisions of the Exemption Manual with immediate effect and communicate feedback to RPFC - I (Exemption), HQ.

(This issues with the approval of CPFC)

Yours faithfully,

  
(P. Veerabhadra Swamy)

Addl. Central P.F. Commissioner(Exemption)

Enclosed:

1. Exemption Manual.
2. Annexure-1 containing the list of circulars adopted or superseded.

# **PREFACE**

Welcome to the Exemption Division Manual of the Employees' Provident Fund Organization (EPFO). This comprehensive guide is designed to serve as a valuable resource for our dedicated employees, officials, and all stakeholders involved in the administration and management of EPFO's exemption division.

The world of employee's provident fund is ever evolving, and the intricacies of granting exemptions are continually shaped by legislative changes, procedural enhancements, and evolving industry standards. To navigate this dynamic landscape effectively, it is imperative that we equip ourselves with a thorough understanding of the exemption division's operations, processes, and objectives.

This manual has been meticulously crafted to offer a detailed insight into the functioning of the exemption division, from its core principles to its day-to-day operations. By providing a standardized and comprehensive reference, our aim is to foster transparency, consistency, and excellence in the way we manage exemption cases and serve our valued stakeholders.

Through this manual we aim to provide clarity & guidance, promote consistency & standardization in operations, ensure compliance in an ever – changing regulatory environment, enhance efficiency of the EPFO Exemption machinery and most importantly emphasize on Customer service and Stakeholder centricity.

We encourage all EPFO employees and officials to familiarize themselves with the contents of this manual and to refer to it whenever needed. It serves as a valuable tool for both new recruits and experienced professionals, promoting a unified approach to handling exemption cases.

We hope that you find this Exemption Division Manual to be a valuable resource in your journey to ensure a secure and prosperous future for all the EPF beneficiaries across the nation. Your commitment and dedication to this noble cause is deeply appreciated. Thank you for your service and unwavering support to EPFO's mission.

## **ACKNOWLEDGMENT**

The drafting, review and design of Exemption Division Manual would not have been possible without the tremendous efforts by all officers of the division. At the outset we would like to thank our CPFC for her continuous guidance and motivation without which the Manual would not have seen the light of day.

The Manual has been successfully co-authored by Shri. Saurabh Suman Prasad - Regional Provident Fund Commissioner – I, Shri. Subodh – Regional Provident Fund Commissioner – II and Shri. Nella Raga Tarun – Assistant Section Officer.

The team has worked under the guidance of Shri R.M Verma - Additional Central Provident Fund Commissioner Head Quarters (ACC – HQ, Exemption Division) and Shri P. Veerabhadra Swamy – Additional Central Provident Fund Commissioner (ACC, Exemption Division).

We would like to take this opportunity to also thank Shri. Uttam Prakash Regional Provident Fund Commissioner – I for providing valuable inputs from time to time. Lastly the team is thankful to Shri Uday Baxi (Additional Central Provident Fund Commissioner, Zonal Office, Kanpur) for preparing the initial drafts during his tenure as ACC (Exemption) in Head Office.

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## **PURPOSE OF THE MANUAL**

*To foster transparency, consistency, and excellence in the way EPFO manages exemption cases and serves its valued stakeholders.*

# Table of Contents

- 1. Introduction..... 7**
  - 1.1 Context & Historical Background ..... 8
  - 1.2 Key Statutory Milestones..... 8
  - 1.3 The Legal Administration Contours .....12
  - 1.4 Exemptions and its Types.....15
  - 1.5 Definitions..... 18
- 2. Grant of Exemption .....21**
  - 2.1 Introduction .....21
  - 2.2 Conditions of Exemption .....21
  - 2.3 Stakeholder Roles & Responsibilities ..... 24
  - 2.4 Specific Procedure..... 26
  - 2.5 Miscellaneous ..... 28
- 3. Regulation & Management of Exempted Establishments ..... 30**
  - 3.1 Introduction ..... 30
  - 3.2 Stakeholder Roles & Responsibilities ..... 30
  - 3.3 Process Flow ..... 33
- 4. Cancellation of Exemption.....37**
  - 4.1 Introduction ..... 37
  - 4.2 Trigger Points ..... 37
  - 4.3 The Legal Framework..... 38
  - 4.4 Stakeholder Roles and Responsibilities..... 39
  - 4.5 Process Flow .....41
  - 4.6 Exceptional Circumstances ..... 43
  - 4.7 Hearing of Court Cases..... 44
- 5. Surrender of Exemption ..... 50**
  - 5.1 Surrender of Exemption ..... 50
  - 5.2 Stakeholder Roles & Responsibilities ..... 50
  - 5.3 Process Flow ..... 52
- 6. Third Party Audit & Compliance Audit..... 56**
  - 6.1 Third Party Audit ..... 56
  - 6.2 Scenarios and Prescribed Performa for Third Party Audit ..... 57
  - 6.3 Format for Third-Party Audit ..... 57
  - 6.4 Compliance Audit..... 58
- 7. Governance Structure.....61**
  - 7.1 Need for a Governance Structure ..... 61

7.2 Existing Governance Structure .....	61
7.2.1 Head Office.....	61
7.2.2 Exempted Establishment Committee.....	63
7.2.3 Central Board of Trustees .....	64
7.2.4 Zonal Office.....	65
7.2.5 Regional Office.....	66
7.3 The Matrix of Timelines .....	66
7.3.1 Timelines and Responsibilities for Cancellation of Exemption .....	67
7.3.2 Timelines and Responsibilities for Regulation & Management of Exempted Establishments .....	67
7.3.3 Timelines and Responsibilities for Grant of Exemption.....	68
7.3.4 Timelines for Grant of Permission to start compliance as an Unexempted establishment.....	68
7.3.5 Timelines for Agenda preparation for consideration of appropriate Government ...	69
7.4 The Monitoring Mechanisms & Tools.....	69
<b>8. Forms and Templates .....</b>	<b>74</b>

## Glossary

CA	Counter Affidavits
CBT	Central Board of Trustees
CDSL	Central Depository Services (India) Limited
ECR	Electronic Challan cum Return
EEC	Exempted Establishments' Committee
EPF & MP Act	Employees Provident Fund and Miscellaneous Provisions Act, 1952
EPF Scheme	Employees Provident Fund Scheme, 1952
FCA	Fellow Chartered Accountants
FO interface	Field Office Interface
GSR	General Statutory Rules
HO	Head Office
ICAI	Institute of Chartered Accountants of India
KYC	Know Your Customer
NCLT	National Company Law Tribunal
NDC	National Data Centre
NSDL	National Securities Depository Limited
PA	Past Accumulation
PF	Provident Fund
RO	Regional Office
SDS	Special Deposit Scheme
SOP	Standard Operating Procedure
TRRN	Temporary Return Reference Number
ZO	Zonal Office

# CHAPTER 1





# 1. Introduction

- a. The Employees' Provident Fund (EPF) Scheme]<sup>1</sup> is a mandatory social security legislation for the working-class population of India. It is administered by the Employees' Provident Fund Organisation (EPFO), the statutory arm of the Government under the Ministry of Labour and Employment. The scheme aims to provide social security and financial stability to employees after their retirement and acts as a financial cushion to various contingencies during the lifetime.
- b. Under Section 17 of the EPF & MP Act 1952]<sup>2</sup>, establishments can be permitted to manage any or all the schemes under the EPF & MP Act 1952 for their employees. Such establishments are known as “Exempted establishments”. Exemption is granted by the Appropriate Government on a basic precondition that the rules of the Provident Fund with respect to the rates of contribution of such an establishment are not less favourable than those specified in Section 6 and the employees are in enjoyment of other Provident Fund benefits which are again not less favourable than the employees of the other establishments of a similar nature.
- c. Regulation of the exempted establishments and their Trusts by EPFO ensures that their employees do not suffer any disadvantage, simply on account of the establishment having been accorded the privilege of maintenance of its own fund without having to undergo the rigours of regular remittance of the statutory dues of its employees to EPFO. Thus, at the core of the legislation is the ‘worker’ whose interest is supreme. As such exemption to establishments and its regulation thereof only provides a level playing field between a publicly delivered service and a privately managed service.
- d. As on 01.04.2023 the total number of Exempted Establishments having link to file online returns stands at 1305.

## 1.1 Context & Historical background

This manual is an attempt at a consolidation of the various procedures and steps involved in the grant, regulation cancellation and surrender of exemption from the EPF Scheme as indicated in their respective standard operating procedures. This would enable all stakeholders namely Establishment, Employer and EPFO to effectively perform their respective duties by referring to this manual as a single source.

The fag end of the year 1951, witnessed the promulgation of the Employees' Provident Funds Ordinance to provide for the institution of provident funds for employees in the factories and other establishments in India. This was later replaced by the Employees' Provident Funds Act, 1952(Act) beginning 4th March 1952.

Under section 5 of the Act, The Employees' Provident Funds Scheme, was framed. This scheme first came into force on the 1st of November 1952. Since then, the day has been rechristened as the EPFO foundation day.

Section 17 of the Act empowers the Appropriate Government to grant exemption prospectively or retrospectively to an establishment to which the Act applies or to any establishment. The provision was amended in 1988, allowing grant of exemption only after consultations with the Central Board. Since 01.10.1988 the procedural aspect of the scheme has remained unchanged.

## 1.2 Key Statutory Milestones

Year	Statutory Milestones
1953	Besides the introduction of the provisions related to exemption under Section 17] <sup>3</sup> of the Act, the provisions for granting exemption to a class of employees was provided in Para 27A of the Employees' Provident Fund Scheme 1952. The provisions of the exemption for the class of employees under Para 27A deemed to have come into force with effect from 31st October 1953.
1956	The word "establishment" was added by substitution in the Section 17(1) (a) and in the Section 17(2) making the provisions specifically applicable to an establishment to which the Act applies, both for the purpose of the exemption to the establishment as a whole or to a class of employees. Similarly, the word "establishment" was added by substitution in the Section

Year	Statutory Milestones
	17(1) (b) making the provisions specifically applicable to any other establishment, if the benefits provided to their employees, separately or jointly were on the whole were more favorable than the benefits under the Act.
1957	The word “Factory and other establishments” was added by substitution in Para 27A (1) enlarging the scope of application to factory workers where the EPF scheme applies. Correspondingly, the word “Factory and other establishments” was also added in the proviso to Para 28 (3), which deals with the transfer of accumulations from existing provident funds.
1958	An explanation was added below the Para 28(2) of the EPF Scheme 1952, which explained that the provident fund trusts are required to transfer even undistributed interest on the date of transfer of accumulations or realized/realizable prior to the date the securities are actually transferred in the name of the CBT, EPF
1960	Through an amendment of Para 28 (3), the role of erstwhile “Imperial Bank of India” was replaced to “State Bank of India”.
1961	The power to grant exemption in respect of class of employees under Para 27A of the EPF scheme was delegated to the Appropriate Government.
1963	<p>The statutory duties of the employer of an exempted establishment, which has been granted exemption for the whole establishment, class of its employees or any individual employee, were defined in Section 17(3) of the EMP &amp; MP Act 1952.</p> <p>With effect from 30<sup>th</sup> November 1963, the provisions for cancellation of exemption were added by institution of Section 17(4) in the EPF &amp; MP Act 1952. The provision under 17 (4) (b) made it operational to such establishments which has been granted exemption under Section 17(2) also.</p> <p>With effect from 18<sup>th</sup> May 1963, the provisions for grant of exemption to an individual member under Para 27 of the EPF Scheme 1952 was added by substitution.</p>
	By amending the Section 17(4) (aa), the scope for cancellation of exemption was enlarged by applying the same to the exemption granted under erstwhile

Year	Statutory Milestones
1971	<p>Family Pension Scheme 1976. Section 17(4) (aa) was further modified in 1988 by specifically adding by substitution Section 17(1C), which deals with Pension exemption.</p> <p>Statutory provisions were amended in Section 17(5) which provides that upon cancellation of any exemption, the amount of accumulation standing to the credit of every employee be transferred within such time as provided in the Scheme.</p>
1976	<p>The Employee's Deposit-Linked Insurance Scheme]4 came into operation in 1976. Statutory provisions were amended in Section 17(2A) and 17(2B) for providing exemption from EDLI 1976 to any establishment if their Insurance benefits were at par or more favorable than the EDLI 1976.</p> <p>Section 17(4)(c) was instituted with effect from 01<sup>st</sup> August 1976 to provide for the cancellation of exemption granted to an establishment from the operation of the EDLI Scheme 1976.</p> <p>The statutory duties of the employer of an exempted establishment, which has been granted exemption from the EDLI 1976 for the whole establishment, class of its employees or any individual employee, were defined in Section 17(3A) of the EMP &amp; MP Act 1952.</p> <p>The Section 17(5) was suitably amended for transferring the accumulations standing to the credit of every employee when the exemption from the Insurance scheme is cancelled.</p>
1985	<p>Through an amendment of Para 28 of the EPF Scheme, the role of an authority entrusted with the management of any provident Fund was further enlarged by adding the provisions of Section 17(5). This enables for the receipt of Past accumulations statement showing the amount standing to the credit of each subscriber on the date of such transfer within time specified in the scheme.</p> <p>Time periods were prescribed for transferring the accumulations as well as the statement showing the amount standing to the credit of each member by amending Para 28(1) (a).</p>

Year	Statutory Milestones
<p><b>1988</b></p>	<p>Section 17(1A) was added on 01<sup>st</sup> October 1988. This provided that no exemption shall be made without consultation with the Central Board. The same amendment also provided for the application of Section 6, 7, 8 and Section 14 including 14B on the employer of an exempted establishment. Statutory provisions regarding the constitution of a Board of trustees, its terms and conditions of their trustee members as well as their primary responsibilities were also institutionalized.</p> <p>As a substitution of Section 17(2A), the power to grant exemption from EDLI Scheme 1976 was delegated to the Central Provident Fund Commissioner.</p> <p>By amending the Section 17(4) (a), the scope for cancellation of exemption was enlarged by covering the defaults by the employer against the provisions of Section 17(1), Section 17(1A) or the defaults by the Board of trustees against the provisions of Section 17(3) for such cancellation.</p> <p>Section 17(5) was amended for transferring the accumulations standing to the credit of every employee when the exemption from the Pension scheme is cancelled. Further in 1996, after inception of EPS 1995]<sup>5</sup>, it was modified to substitute from “family pension” to “Pension”.</p> <p>By amending the Section 17(5), it was provided to transfer even the forfeited amount from the employer’s share of contribution to the credit of an employee who leaves the establishment before completion of full period of service.</p>
<p><b>1996</b></p>	<p>The statutory provisions were amended in Section 17(1C) by substitution for providing exemption from EPS 1995 to any establishment or class of establishments if their pensionary benefits were at par or more favorable than the EPS 1995. Such substitutions indicate that such provisions were available in respect of Family Pension Scheme 1976 that was merged into Employees’ Pension Scheme of 1995.</p>
<p><b>2000</b></p>	<p>With effect from 06<sup>th</sup> January 2001, the Para 27AA was instituted in the EPF Scheme 1952, defining terms and conditions of exemption.</p>
<p><b>2003</b></p>	<p>Appendix A to the Para 27AA of the EPF Scheme was substituted with effect</p>

Year	Statutory Milestones
	from 30 <sup>th</sup> October 2003 with a checklist of 31 conditions.
2012	Condition no. 16 of the Appendix-A to the Para 27AA of the EPF Scheme 1952 was amended to provide for the electronic format of the returns to be filed by the exempted establishment.
2016	The Central Board of trustees approved an easy process for the cancellation of exemption by way of surrender]6 if the Board of Trustees desired surrender of exemption.
2020	The Code on Social Security 2020]7 got Presidential assent. The exemption provisions of the code yet to be notified, intends to infuse the concept of renewable exemption after every prescribed period instead of existing provisions of enjoying exemption till the same is formally cancelled.

### 1.3 The Legal Administration Contours

- a. The legal framework for the provisions related to Exemption is indicated under Section 17]<sup>8</sup> of the Act which is the overarching statutory provision governing all aspects of Exemption. The corresponding enabling provisions are provided in the Scheme (EPF Scheme,1952 as defined in Section 2(l) of the Act).
- b. The Exemption from the EPF Scheme is granted by the Appropriate Government, on an application by an establishment if its proposed scheme is not less favourable than the statutory benefits provided under the Act and the EPF Scheme. EPFO acting as the agency of the Appropriate Government monitors the functioning of the exempted establishments.
- c. The terms and Conditions, of exemption, is indicated in Section 17(1A)(b),(d) and Section 17(3) of the Act read with Para 27AA of the EPF Scheme,1952 with a provision for additional conditions as considered appropriate by the Appropriate Government.
- d. Regular Audits are conducted to see that conditions prescribed are not violated. In the event of non-compliance of the terms and conditions of the Exemption cancellation of such exemption is provided under Section 17(4) of the Act.

- e. The consequence of cancellation is a statutory obligation cast upon the establishment to transfer the entire corpus of its PF Trust to the accounts of the Central Board of Trustees, EPF as per the provisions of Section 17(5) of the act read with Para 28 of the EPF Scheme. This is done by way of a formal report originating from the Regional Provident Fund Commissioner and subjected to rigorous scrutiny before it is put up to the Appropriate Government for an informed decision as regards cancellation by way of a gazette notification.
- f. Besides cancellation of exemption, other actions as stipulated under the Act can also be initiated to ensure that the interests of the workers remain protected.
- g. The cancellation can also take the route of surrender, which is a voluntary action by an exempted establishment to hand over the responsibility of managing the Trust Fund back to EPFO. Thus amidst the vagaries of an uncertain business climate and the fluctuations in the Capital market this has been found to be the preferred option for the employers' of exempted establishment keen on concentrating on their core business and leaving the statutory task of managing the retirement corpus of their employees to EPFO.
- h. A subcommittee of the Central Board called "Committee on Exempted Establishments"]<sup>9</sup> constituted by Chairman CBT monitors and guides the functioning of Exempted establishments in the country. Further the committee also ratifies the proposals of grant, cancellation and surrender of exemption for their placement before the CBT as a precursor to their final approval by the appropriate Government.
- f. A brief overview of the Act and Scheme provisions which lay down the legal framework and are relevant to the context of Exemption are explained below.
  - i. **"Act"** means the Employee's Provident Fund and Miscellaneous Provisions act,1952
  - ii. **"Scheme"** means the Employee's Provident Fund scheme framed under Section 5 of the Act and as indicated in Section 2(l) of the Act.
  - iii. **"Appropriate Government"** means the appropriate Government as defined in Section 2 of the Act and explained as below
    - a. Central Government for the establishments under the control of the Central Govt. or in relation to an establishment connected with a railway company, a major port, a mine or an oil-field or a controlled industry or in relation to an establishment having branches in more than one state, and
    - b. (b)State Govt in relation to any other establishment.

- iv. **“Employer”** as defined in Section 2(e) of the Act means
  - a. in relation to an establishment which is a factory, the owner or occupier of the factory, including the agent of such owner or occupier, the legal representative of a deceased owner or occupier and, where a person has been named as a manager of the factory under clause (f) of sub-section (1) of section 7 of the Factories Act, 1948 (63 of 1948), the person so named; and
  - b. in relation to any other establishment, the person who, or the authority which, has the ultimate control over the affairs of the establishment, and where the said affairs are entrusted to a manager, managing director or managing agent, such manager, managing director or managing agent;]
- v. (v) **“Employee”** as defined in Section 2(f) of the Act means any person who is employed for wages in any kind of work, manual or otherwise, in or in connection with the work of 6 [an establishment], and who gets his wages directly or indirectly from the employer, and includes any person
  - (a) employed by or through a contractor in or in connection with the work of the establishment;
  - (b) engaged as an apprentice, not being an apprentice engaged under the Apprentices Act, 1961 (52 of 1961), or under the standing orders of the establishment;]
- vi. **“Exempted employee”** as defined in Section 2(ff) of the act means an employee to whom a Scheme [or the Insurance Scheme, as the case may be,] would, but for the exemption granted under\*\*\*\* section 17, have applied;
- vii. **“Exempted establishment”** as defined in Section 2(fff) of the Act means an establishment in respect of which an exemption has been granted under section 17 from the operation of all or any of the provisions of any Scheme 2 [or the Insurance Scheme, as the case may be, whether such exemption has been granted to the 4 establishment as such or to any person or class of persons employed therein
- viii. **“Fund”** as defined in Section 2(h) of the act means the provident fund established under a Scheme
- ix. **“CBT”** refers to the Central Board as indicated in Section 5A of the Act.
- x. Section 14(2A) relates to prosecution upon violations of conditions of Exemption
- xi. **Section 17(1) (a) &(b)** relates to the appropriate Govt’s powers to grant exemption to establishments only when their employees are in enjoyment of benefits as regards rate of contribution as specified in Section 6 and in the nature of PF, Pension and



Gratuity which are on the whole not less favourable than those provided by EPFO, respectively.

- xii. **Section 17(1A)(a-d)** refers to the applicability of Section 6,7A,8 and 14B on exempted establishments, the establishment of a Board of trustees to manage the PF of its employees ,its terms and conditions and the duties to be performed by them.
- xiii. **Section 17(2)** refers to the exemption for a class of employees
- xiv. **Section 17(3)** refers to the duties and the conditions of exemption mandated for the exempted establishments
- xv. **Section 17(4)** indicates the provisions relating to cancellation of exemption
- xvi. **Section 17(5)** relates to the provisions regarding transfer of Past Accumulations of the employees of establishments whose exemption has been cancelled.
- xvii. **Paragraph 27** of the EPF Scheme is the enabling scheme provision for Section 17(2) of the Act and refers to the exemption granted to a single employee.
- xviii. **Paragraph 27A** of the EPF Scheme is the enabling scheme provision of Section 17(2) of the Act and refers to the exemption granted to a class of employees.
- xix. **Paragraph 28** is the enabling scheme provision of Section 17(5) of the Act and indicates the transfer of Past accumulation of the employees of establishments whose exemption has been cancelled.
- xx. **Paragraph 27AA, Appendix” A”** indicates the Conditions of exemption which are applicable to all exempted establishments and which are undertaken to be followed by the establishments seeking exemption.
- xxi. **Para 79** relates to grant of relaxation to establishments
- xxii. **Para 79-B** relates to the time period for the Central board to communicate its views to the appropriate Government.
- xxiii. **Para 79-C** indicates the composition of the Board of trustees and their terms and conditions of service.

## *1.4 Exemptions and its Types*

- a. Exemption from the EPF Scheme can be broadly classified into three categories.
  - ✓ Exemption for the establishment as a whole,
  - ✓ Exemption for a class of employees and
  - ✓ Exemption for a single employee.
- b. The corresponding statutory provision is indicated under Section 17(1) of the Act]<sup>10</sup>, Section 17(2) of the Act read with Para 27A and Para 27 of the Scheme, respectively. In the

upcoming Social Security Code, 2020]<sup>11</sup> the provisions for exemption from the EPF Scheme is indicated in Section 143 of the Code.

- c. Thus Section 17 of the EPF Act is pari materia to Section 143 of the Social security code. However irrespective of the finer points of the two legislations, the intent of the lawmakers remains unambiguous i.e. quality service to the working class matching the global standards through a competitive interplay between a publicly managed service and privately controlled entities who possess the financial wherewithal to match the benefits given by EPFO.
- d. The exemptions granted under the EPF Act is predicated upon the fact that the quantum of benefits which the establishment provides in the nature of PF, Pension or Gratuity or as regards the rate of contribution to the fund for its beneficiary employees should in no way be inferior to that being provided by EPFO to its subscribers. Further the exempted establishments are required to abide by the conditions of exemption provided in Para 27AA Appendix “A” of the Scheme. Lastly the establishments are under a statutory obligation to transfer the Past Accumulation of its beneficiary employees to the Fund under the EPFO once the exemption is cancelled.
- e. It will however, be pertinent for the sake of continuity, to provide here a brief overview of the law of exemption under the new Social Security Code. Consequent to the inception of the Social Security Code 2020 the draft rules 2020 pending formal notification proposes the following preconditions for exemption:
  - i. the employees are in receipt of benefits substantially similar or superior to the benefits granted in the EPF scheme;
  - ii. the establishment seeking exemption has been complying with the provisions of the Code or the Employees’ Provident Funds and Miscellaneous Provisions Act, 1952 for a period of three years continuously immediately before making the application and has not defaulted in payment of contribution payable during such period;
  - iii. the establishment seeking exemption should have minimum five hundred contributory members on the date of such application;
  - iv. the establishment seeking exemption from the provisions of the Provident Fund Scheme should have a cumulative balance in members account of rupees fifty crore or more;

- v. the establishment seeking exemption should have a positive net worth during each of the last three years before the date of application;
  - vi. the establishment must have seeded the Aadhar Number of each of the member in the respective members' account
  - vii. the establishment shall provide facilities for online claim settlement and has an online portal for grievance resolution to provide linkages with that of Employees' Provident Fund Organisation within ninety days of grant of exemption.
- f. There are three types of exemptions namely Establishment-based exemption: Employee-based exemption and special concessions for Start-ups and new establishments.
- i. **Establishment-based exemption:** Under the new Social Security Code, an establishment can be exempted from contributing to the EPF if it provides a comparable or better than the benefits provided under the EPF scheme. Exemption can be granted for a period of up to three years, with a provision for subsequent renewals.
  - ii. **Employee-based exemption:** Individual employees can be exempted to contribute to the EPF if they meet certain criteria.
  - iii. **Start-ups and new establishments:** The Social Security Code provides for certain exemptions and incentives for start-ups and new establishments. These include a lower rate of contribution to the EPF for the first three years of operation, as well as a waiver of the employer's contribution to the EPF for the first three years for certain categories of employees.

## Three Types of Exemption under Social Security Code



Figure 1: Types of Exemption under Social Security Code

### 1.5 Definitions

For the purpose of this manual the following terms will be defined as indicated in this paragraph.

1. **“Act”** means The Employees’ Provident Funds and Miscellaneous Provisions Act, 1952.
2. **“ACC”** means the Additional Central Provident Fund Commissioner or the Additional Central Provident Fund Commissioner (HQ) of the Zone.
3. **"Appropriate Government"** means, the appropriate Government as defined in Section 2(a) of the Act.
4. **“BOT”** means the Board of Trustees constituted as per the provisions under Para 79C of the EPF Scheme, 1952.
5. **“CBT ”** means, the Central Board as provided under Section 5A of the Act.
6. **“Common Provident Fund Trust”** means a Trust with two or more participating establishments with at least one representative each from the participating establishment.
7. **“Compliance Audit”** means the annual audit of an exempted establishment in a designated proforma by a team of officers from the R.O in whose jurisdiction the exempted establishment is located.
8. **“Condition(s)”** means conditions of exemption as indicated in the “Appendix A” of Para 27AA of the Scheme.

9. **“Depository participants”** means the registered agent or stockbroker of the depositories like NSDL and CSDL which maintain the ownership records of the investors.
10. **“Draft Agenda”]**<sup>12</sup> refers to the prescribed format meant for the Regional Offices to forward its recommendations or rejections for grant of exemption to Zonal Offices and Head Office for consideration of the EEC.
11. **“EEC”** means the Exempted Establishments Committee of the CBT.
12. **“Employer”** means the Employer as defined in Section 2(e) of the Act.
13. **“Exempted Establishment”** means an establishment in respect of which an exemption has been granted under section 17 from the operation of all or any of the provisions of EPFC Scheme whether such exemption has been granted to the establishment as such or to any person or class of persons employed therein.
14. **“Exemption”** means an exemption within the meaning of Section 17 (1) and 17 (2) of the Act.
15. **“PA”** means the Past Accumulations as indicated in section 17(5) of the Act read with Para 28 of the Scheme.
16. **“Priority Matrix”** means the categorisation of the violations of conditions of exemption and the desirable consequential actions in FORM CE-6
17. **“Regional Provident Fund Commissioner (RPFC)”** is the RPFC-In-Charge of the Region in whose jurisdiction the establishment is covered under the Act.
18. **“Relaxation”** means a Relaxation granted under Para 79 of the Scheme.
19. **“Relaxed Establishments”** means, the establishment who have been granted relaxation under Para 79 of the EPF Scheme, 1952 by the Commissioner as defined in Section 5D of the Act.
20. **“Scheme”** means the Employees’ Provident Fund Scheme, 1952 framed under Section 5.
21. **“Standard Operating Procedure”** (SOP) means the specific procedure to be followed with respect to the process of Grant of Exemption, Management and Regulation of EPF Exempted Establishments, Cancellation of Exemption and Surrender of Exemption.

# **CHAPTER 2**

## 2. Grant of Exemption

### 2.1 Introduction

- a. The basic premise of exemption from the EPF Scheme is predicated on the ability of any establishment to match the benefits provided by EPFO to its subscribers. Such comparable benefits can be as regards the rate of contribution as indicated in Section 6 of the Act or in the nature of Provident Fund, Pension or Gratuity which on the whole should not be less favourable than the benefits under the EPF Act and the Scheme.
- b. Establishments that seek to maintain their own Provident Fund Trusts apply for grant of exemption under Section 17 of the EPF & MP Act, 1952 (Act). While exemption for the establishment as a whole is regulated by Section 17(1) of the EPF Act, the exemption for a class of employees is regulated by Section 17(2) of the Act; the enabling provision enshrined in Para 27A of the Scheme while Para 27 of the Scheme deals with the grant of exemption to a single employee by the RPFCL.
- c. The grant of exemption]<sup>13</sup> is however subject to the fulfilment of the Conditions of Exemption indicated in Section 17(1A) and 17(3) while the enabling provision in the Scheme is provided under Para 27AA Appendix “A” of the Scheme

### 2.2 Conditions of Exemption

From the perspective of an employer of an establishment seeking to obtain exemption from the statutory obligations related to monthly remittance of the PF contributions of their employees under the Scheme, an application based on compliance with the Conditions of exemption is a sine qua non of the entire process. The said conditions as defined in Section 1.5 of this Manual is delineated in detail under Appendix “A” of Para 27AA of the Scheme. An overview of these conditions which have been classified into four categories is indicated in FORM GE-1(9) of the Chapter 8 of this Manual.

**CONDITIONS OF EXEMPTION AS PER APPENDIX 'A'  
TO PARA 27AA OF THE EPF SCHEME, 1952**

(For Reference)

Board of Trustees		Establishment/Employer	
<b>Condition no.2:</b>	BOT to meet in every three months	<b>Condition no.1:</b>	Constitution of BoT
<b>Condition no.3:</b>	Enrolment of all eligible Employees	<b>Condition no.4:</b>	Transfer of Previous accumulations (From past service to Trust).
<b>Condition no.9:</b>	Benefits to be not less favorable than EPFO as regards rate of contributions, interest etc. and quantum of advances	<b>Condition no.5:</b>	Monthly contributions to the trust by 15 <sup>th</sup> of the succeeding month
<b>Condition no.10:</b>	Beneficial rules to apply automatically	<b>Condition no.6:</b>	Establishment to make good the loss suffered by the Trust.
<b>Condition no.13:</b>	To maintain Electronic accounts of employee contributions	<b>Condition no.7:</b>	Trust to at least match the statutory rate of interest
<b>Condition no.17:</b>	Investments to be made as per GOI Guidelines	<b>Condition no.8:</b>	Trust rules to be displayed on notice board
<b>Condition no.18:</b>	Securities to be in the Trust's name and kept in Demat Account with RBI approved Depository Participants	<b>Condition no.16:</b>	Timely filing of monthly/annual returns
<b>Condition no.19:</b>	Directions for Depository participants to transfer the Trust Investment to RPFC under certain conditions	<b>Condition no.22:</b>	Establishment to submit undertaking to abide by the conditions of exemption to RPFC
		<b>Condition no.23:</b>	Establishment to submit undertaking to transfer past accumulations in the event of cancellation of Exemption to RPFC
		<b>Condition no.24(b):</b>	Trust Balance Sheet submission to RPFC
		<b>Condition no.24(c):</b>	The same auditor not to be appointed for 2 consecutive years & for not more than 2 times in a block of six years
		<b>Condition no.28:</b>	Establishment to make good the loss arising out of fraud/wrong investment etc. to the Trust
		<b>Condition no.29:</b>	Mandatory revocation of Exemption under certain conditions



Employees		EPFO	
<b>Condition 12:</b>	<b>no.</b> Entitled for a time bound Settlement of claims.	<b>Condition no.11:</b>	RPFC's mandatory permission for amendment in the rules
<b>Condition 14:</b>	<b>no.</b> Entitled for a Passbook facility to be provided by the Trust.	<b>Condition no.20:</b>	The Investments can be liquidated for obligatory expense only upon RPFC's Permission
<b>Condition 15:</b>	<b>no.</b> Entitled for a facility to view Balance on computer terminals	<b>Condition no.24(a):</b>	Third Party Audit to be done upon RPFC's orders
		<b>Condition no.25:</b>	To check for 3-year continuous loss
		<b>Condition no.26:</b>	To cause Compliance Audit
		<b>Condition no.27:</b>	To initiate cancellation procedure only after a show cause notice
		<b>Condition no.30:</b>	RPFC to take Legal action in case of a default against all the Trustees of a Common PF Trust
<b>Central Government</b>			
	<b>Condition no.31:</b>	Further Conditions	

## 2.3 Stakeholder Roles & Responsibilities



Figure 2: Key Stakeholders for Exemption

Each stakeholder has a pre-determined set of roles to play so as to achieve the aim of a hassle-free disposal of the application for Grant within the time limit permitted under the Scheme.

Stakeholder	Responsibility
<b>Establishment</b>	<ul style="list-style-type: none"> <li>Has to constitute a Trust and formulate the Trust Rules based on the conditions of exemption.</li> <li>Further an application has to be made in a standardized format within the parameters set by the appropriate government duly enclosing a comparative statement indicating that the benefits allowed to its beneficiaries are at least at par with the benefits provided by EPFO to its subscribers.</li> </ul>
<b>Regional Office (RO)</b>	<ul style="list-style-type: none"> <li>Shall receive the application, scrutinize it thoroughly and send the Draft proposal to Z.O</li> <li>The draft proposal should be sent only after due certification of the fact that the benefits provided by the applicant establishment are no less favourable than what is being</li> </ul>

Stakeholder	Responsibility
	allowed by EPFO to its subscribers.
<b>Zonal Office (ZO)</b>	<ul style="list-style-type: none"> <li>• The Zonal Office (ZO) shall forward the Draft agenda proposal to H.O. with its recommendations.</li> <li>• The Zonal ACC can also exercise his/her discretion as regards the Grant of Relaxation to the applicant establishment within the meaning of Para 79-C of the Scheme.</li> </ul>
<b>Head Office (ZO)</b>	Exemption Division shall scrutinize the draft agenda proposal for grant of exemption and place its recommendations before the EEC.
<b>The Exempted Establishment Committee (EEC)</b>	Shall decide about the suitability of the proposal and submit its views to the CBT through the Head Office Exemption Division.
<b>The Central Board (CBT)</b>	The Central Board (CBT) shall finalize its views for onward communication to the Appropriate Government through the HO Exemption Division
<b>Appropriate Government</b>	Takes a considered decision upon the views of the CBT as regards the case and in case of its assent the process culminates in the issuance of a Gazette notification for Grant of exemption to the establishment.

## 2.4 Specific Procedure

### STAKEHOLDER: ESTABLISHMENT

#### LIST OF ACTIVITIES

- The establishment shall make an application in FORM GE-1 after a due diligence at its end as regards compliance with the conditions of exemption.
- To that effect, the employer shall constitute a BOT under his chairmanship and the terms and conditions of the Trustees shall be as per the provisions of Para 79-C of the Scheme.
- The BOT shall primarily be concerned with the maintenance of accounts of each employee beneficiary of the Trust duly indicating the contributions made, the withdrawals effected, and the interest accrued. It should further submit such returns as directed by the RPF, invest the P.F corpus and effect transfer of the PF. Account of the employee beneficiaries as soon as it becomes due.
- The application Form GE-1 should be compulsorily accompanied with two copies of the duly signed Trust rules indicative of the definition of the “class of employees” if exemption is sought under Section 17(2).
- A comparative chart of the benefits vis a vis EPFO, full details of the Trustees, certificates of undertaking as indicated in the conditions of exemption and the details of its departments and branches.



## STAKEHOLDER: REGIONAL OFFICE

### LIST OF ACTIVITIES

- The RO shall facilitate submission of a complete form with all the documentation.
- It shall evaluate the FORM GE-1 on the twin criteria of compliance with the conditions of exemption and a certification with respect to the fact that the benefits being provided by the applicant establishment are not less favourable than the benefits provided by EPFO to its subscribers.
- It shall prepare the Draft Agenda and along with the Draft agenda RPFC shall send his/her recommendations in FORM GE-2 within 10 weeks from the receipt of the application.
- However, in case the proposal is unfit, a negative recommendation shall be sent.



## STAKEHOLDER: ZONAL OFFICE

### LIST OF ACTIVITIES

- The ZO shall certify the fitness of the Draft agenda for placement before the EEC and shall send it to H.O Exemption division along with its recommendations in FORM GE-3
- Within 15 days of receipt of proposal from RO. Simultaneously ACC of the Zone shall issue an order of Relaxation under Para 79 of the Scheme.



## STAKEHOLDER: HEAD OFFICE

### LIST OF ACTIVITIES

- ACC (Exemption Division) shall evaluate the proposal for grant of exemption and with the approval of CPFC shall place it before the EEC for its consideration preferably within 1 month of the receipt of FORM GE-3 from the ZO.
- Subsequent to its ratification the proposal shall be placed before the CBT for its approval. It shall be the duty of ACC (Exemption Division) H.O to communicate the recommendations of the CBT to the appropriate government in FORM GE-4 for a formal notification in the Gazette.

## *2.5 Miscellaneous*

Transfer of Past Accumulation in case of grant of exemption or exclusion:

The CBT, in its 163<sup>rd</sup> meeting held on 19.08.2003 decided that after the grant of exemption or in any other eventuality necessitating transfer of past accumulations to an establishment or Trust, or excluded establishments, entire past accumulations be transferred in cash only in all cases. Securities will not be transferred by Head Office in exclusion cases too.

# CHAPTER 3

## 3. Regulation & Management of Exempted Establishments

### 3.1 Introduction

This chapter aims to lay down the essential guidelines necessary for the management of exempted establishments and the regulation]14 thereof by EPFO based on the statutory provisions indicated in the Act and the Scheme. The scheme of the exempted establishment functions within the ambit of the Act; as such the framework for its proper functioning is similar to the EPF Scheme under the Act.

The management and regulatory processes are however a subset of the Conditions of exemption delineated under Para 27AA Appendix “A” of the EPF Scheme. The said conditions are unique in the sense that its 31 clauses constitute a comprehensive treatise on functional and compliance guidelines ranging from the constitution of the BOT, its operational parameters, the nature of its beneficiaries, the duties of the employer towards the beneficiary employees and lastly its statutory obligations vis a vis EPFO functioning as a regulator of PF Trusts in the exempted establishments.

### 3.2 Stakeholder Roles & Responsibilities

Stakeholder	Roles & Responsibilities
	<ul style="list-style-type: none"><li>• Manage their Trust fund as per the guidelines set by the EPFO which functions as a statutory regulator. Thus the primary stakeholder has to be the establishment and the Board of Trustees</li><li>• Has to undertake to abide by the Conditions of exemption and has to constitute a BOT as per the statutory guidelines</li><li>• Facilitate inspection, pay the inspection charges, submit online</li></ul>



Stakeholder	Roles & Responsibilities
<b>Establishment</b>	<p>returns within time, ensure seamless service for its beneficiary employees and adhere to the disclosure norms set by the statute as regards its annual report and the accounts of the Trust Fund.</p> <ul style="list-style-type: none"> <li>• Any business occurrence which may entail a change in its legal status shall be promptly informed to the RPFC.</li> <li>• The BOT in turn is responsible for the receipt of the monthly remittances, maintenance of the detailed account of its beneficiary employees, submission of returns and investment of the PF money in designated instruments as per the notified pattern of investment</li> <li>• It also has important roles vis a vis its beneficiaries as regards transfer in and out of their accounts whenever due and ensuring non reduction of the total quantum of benefits vis a vis EPFO</li> <li>• Its duties towards financial disclosure and reportage as regards its profitability is coterminous with that of the establishment.</li> </ul>
<b>RPFC and RO</b>	<ul style="list-style-type: none"> <li>• Ensure that their compliance machinery pertaining to exempted establishments' functions like a well-oiled machine by deployment of adequate number of trained staff adept in dealing with its complexities.</li> <li>• The exemption section shall be responsible for ensuring timely filing of online returns and a proper monitoring of the online performance evaluator.</li> <li>• A time bound compliance audit of exempted establishments and a proper follow up action along with a Third-Party audit of the Trust Funds as and when considered necessary are also of utmost importance.</li> <li>• Timely detection of the existence of the stipulations in Condition</li> </ul>

Stakeholder	Roles & Responsibilities
	<p>No.25 and 29 is a task devolved upon the RO whose importance can never be overstated. Last but not the least it is expected to be diligent in a time bound submission of al the reports to ZO.</p>
<b>Zonal Office</b>	<ul style="list-style-type: none"> <li>• Functions as a monitoring office accentuating on a timely filing of online returns and compliance audit of the exempted establishments as well as its follow up actions</li> <li>• Sends advisories on the basis of the online marks based performance evaluator of exempted establishments</li> <li>• Important role to play in the context of the department’s increasing emphasis on public outreach and capacity building based on the best practices adopted by the exempted establishments in the context of fund management and Trust administration</li> </ul>
<b>Head Office</b>	<ul style="list-style-type: none"> <li>• Monitoring of ZO’s on the basis of the twin parameters of timely completion of Compliance audit of exempted establishments and a timely filing of online returns</li> <li>• HO shall be responsible for outreach programs at a national scale as well as capacity building both at the internal as well as external level.</li> </ul>

## 3.3 Process Flow

### STAKEHOLDER: ESTABLISHMENT

#### LIST OF ACTIVITIES

- The exempted establishment's responsibility towards the management of its exemption is predicated upon its scrupulous adherence to the conditions of exemption which have a three-fold orientation.
- Responsible for constituting a BOT under his chairmanship which shall function as per the provisions of Para 79-C **(Condition No 1 & 2)**.
- Responsible for ensuring membership to all the eligible membership and also facilitate transfer in of his accumulations from his erstwhile employer. **(Condition No.3 & 4)**.
- Liable to facilitate seamless services in the context of crediting of interest, claim settlement, issuance of account statement and checking of PF balances. **(Condition No's 9,12,13,14 & 15)**
- Facilitation of EPFO's regulatory role vis a vis the establishment as well as the Trust
- Ensure timely remittance of monthly charges, administrative charges and interest, **(Condition No 5,6 & 7)**. Any beneficial amendment in the Trust rules shall be adopted automatically.
- Any amendment to the Trust rule shall require the prior permission of RPFC. **(Condition No 10 & 11)**.
- Ensure timely filing of all returns, adhere to the designated pattern of investment and maintain its investments mandatorily in the Demat mode in the name of the Trust, **(Condition No 16,17 & 18)**.
- Undertake due compliance to all the conditions while the depository participants are requiring to transfer the Trust investments to the RPFC upon closure or liquidation of the establishment subsequent to a communication

received from him/ her (**Condition No 22,23 & 19**).

- Adhere to the norms of audit of the Trust's accounts, the publication of its report and the appointment of auditors, (**Condition No.24**)
- Any pecuniary reward shall be credited to the Trust account. (**Condition No 21**).
- All inspection charges are liable to be paid and any loss to the fund shall be made good by the employer. (**Condition No.26 & 28**).
- **Condition No.25** entails mandatory withdrawal of Exemption consequent to a loss incurred by the establishment (not the Trust) for three consecutive years or upon an erosion in the capital base of the establishment, Condition No 29 has a clause for a mandatory revocation of exemption upon a change in the legal status of the establishment.
- Condition No 29 has a clause for a mandatory revocation of exemption upon a change in the legal status of the establishment.



## **STAKEHOLDER: REGIONAL OFFICE**

### **LIST OF ACTIVITIES**

- Lynchpin of the entire regulatory machinery with a well-defined role. ensure timely filing and the scrutiny thereof of the online returns and a timely conduct of the compliance audit of the establishment
- Audit should have a separate note on the treatment of Surplus and reserve Fund as well as the employee service profile of the establishment.
- RPFC also conducts Third Party Audit of exempted establishments on grounds of reasons which are clearly specified in writing, in a pre-designated format

- RPFC shall submit a report to ZO as regards compliance audit of all exempted establishments under his jurisdiction in a time bound manner.



### **STAKEHOLDER: ZONAL OFFICE**

#### **LIST OF ACTIVITIES**

- Function as a monitoring office for monitoring the online return position as well as the online marks-based performance evaluator of the RO's
- Compliance audit profile of RO'S shall be monitored at ZO which shall submit a designated report to HO in a time bound manner.



### **STAKEHOLDER: HEAD OFFICE**

#### **LIST OF ACTIVITIES**

- Monitor the performance of the ZO Vis a Vis the position of online returns filed by the establishments as well as the timely conduct of compliance audit
- Shall conduct outreach programs in consultation with PDUNASS from time to time.

# CHAPTER 4

## 4. Cancellation of Exemption

### 4.1 Introduction

Exemption is a privilege accorded to establishments which possess the financial heft to match and sustain the benefits provided to the subscribers of EPF Scheme. However, the privilege is conditional; it is liable to be withdrawn by the authority which granted it in order to safeguard the interest of the employee beneficiaries of the Trust, once the conditions of exemption stand violated. Thus the exempted establishment remains under the constant regulatory gaze of the appropriate government, enforced through its statutory arm i.e. the EPFO.

Here it needs to be reiterated that the scheme of the exempted establishment remains a scheme under the Act like the EPF Scheme, 1952, whereby to avoid duplication as well as the onerous task of framing a scheme for every establishment seeking exemption from the rigors of making statutory remittance of the PF dues of its employees, the establishment is allowed to run its own scheme and provide benefits which have to be necessarily not less favorable than the benefits provided by EPFO, within the limits set by law.

### 4.2 Trigger Points

#### Trigger Points



**Failure to file online returns for three consecutive months for reasons which are non-technical.**



**Failure to obtain minimum 300 marks out of 600 for three continuous months.**



**Establishments running into losses for three consecutive months or an erosion in their capital base. This entails a mandatory withdrawal of exemption.**



**Failure to comply with the prescribed pattern of investment for three or more years.**



**Inability to match the rate of interest provided by EPFO.**



**Evasion of membership of Trust fund**



**Change in legal status subsequent to merger, demerger, acquisition sale etc.**



**Violations of conditions of exemption indicated in the Priority Matrix. Category "A" violations shall entail immediate cancellation while Category "B" and "C" offers chances of rectifications..**

## 4.3 The Legal Framework

- a. The key legal provision in the EPF Act is **Section 17(4) (a) and Section 17(4) (b)** which deals with the various conditions under which exemption is cancelled by the authority which granted it.
- b. **Section 17(4)(a)** provides for cancellation of exemption granted under Section 17(1) for non-compliance of the **conditions of exemption indicated in sub-section (1A) and sub-section (3)**.
- c. **Section 17(4)(b)** provides for cancellation provision for any exemption granted under Section 17(2) for non-compliance with the **conditions of exemption indicated in sub-section (3)**.
- d. **Para 27 AA Appendix “A”** of the Scheme indicates the enabling provisions for the conditions of exemption in Section 17(1A) and Section 17(3)
- e. **Section 17(5)** deals with the provisions of transfer of PA dues in the case of cancellation of exemption.
- f. **Para 28 of the Scheme** has the enabling Scheme provisions for transfer of PA dues to the Fund
- g. **Condition no 19 of Appendix “A” of Para 27AA of the Scheme deals** with the communication to the Depository participants of the Trust Fund to transfer the investment holdings of the Trust to RPFC upon cancellation of exemption]<sup>15</sup>, closure of the establishment or its liquidation.
- h. **Condition No 25** of Appendix “A” of Para 27AA of the Scheme indicates a mandatory provision of withdrawal of exemption, if the establishment has incurred losses for three consecutive years or suffers an erosion in their capital base, from the first day of the next financial year.
- i. **Condition No 29** of Appendix “A” of Para 27AA of the Scheme has provision for a mandatory revocation of exemption upon a change in legal status of the establishment consequent to a sale, amalgamation, merger, demerger acquisition or formation of a subsidiary whether wholly owned or not.



## 4.4 Stakeholder Roles and Responsibilities

All the stakeholders namely the establishment, RO, ZO, HO have clear and well-defined roles while dealing with the process of cancellation.

STAKEHOLDER	ROLES & RESPONSIBILITIES
<p><b>Exempted Establishment</b></p>	<ul style="list-style-type: none"> <li>• Under a statutory obligation to report about any business activity involving acquisition sale, merger or demerger etc. which is essential for the RO, to identify existence of the stipulations necessitating invocation of <b>Condition No.29</b>.</li> <li>• Financial reportage involving communication of annual reports by 30th September every year for the year which ended in March is important in the context of invocation of condition no. 25 whenever necessary</li> <li>• Since the exempted establishments are under a statutory obligation to transfer the PA dues upon cancellation, their depository participants are required to transfer the investment holdings standing under the Trust's name to the RPFC upon a communication received from him/her.</li> <li>• Full disclosure of the depository participant's details is a mandatory condition to be followed</li> </ul>
<p><b>Regional Office</b></p>	<ul style="list-style-type: none"> <li>• Should maintain a constant vigil as regards timely filing up of online returns. Regular scrutiny of the online marking system also constitutes a mandatory activity.</li> <li>• Timely action under condition No 19 as mentioned aforesaid and a time bound deposit of PA dues by the establishment under Section 17(5) read with Para 28 of the Scheme falls within its remit</li> <li>• Identification of the factors necessary for the invocation of</li> </ul>

STAKEHOLDER	ROLES & RESPONSIBILITIES
	<p>Condition no 25 and 29 and any violation of the conditions of exemption through timely conduct of compliance audit and forwarding Draft agenda to the ZO for cancellation is a regular operational duty so necessary to secure the interests of the workers</p>
<b>Zonal Office</b>	<ul style="list-style-type: none"> <li>• Draft agenda to HO with its categorical recommendations and forward the link removal request from RO to HO with its recommendations.</li> <li>• Coordination with the State Govt. if they happen to be the appropriate Government as regards issuance of notification for cancellation.</li> </ul>
<b>Head Office</b>	<ul style="list-style-type: none"> <li>• Scrutinizes the draft agenda received from the ZO and places it before EEC.</li> <li>• Recommendations of the EEC are placed before the CBT whose views are communicated to the appropriate Govt. Simultaneously upon cancellation, HO removes the link for filing of online returns.</li> </ul>

## 4.5 Process Flow

### STAKEHOLDER: REGIONAL OFFICE

#### LIST OF ACTIVITIES

- At the RO the process of cancellation can be triggered off by any of the triggers as mentioned aforesaid and necessitates issuance of a show cause notice in **Form CE-1** to the establishment to be replied within 7 days.
- In case the cancellation process is triggered by the findings of the compliance audit a show cause notice shall be issued only after a lapse of **15 days'** time given to reply to the findings of the compliance audit team.
- Based upon the reply of the establishment the mechanism delineated in the Priority Matrix shall be utilized to deal with the violations of the conditions of exemption. However, any cancellation draft agenda shall be prepared in the **Form CE-2** and sent within **30 days** of the receipt of the reply to the notice in **Form CE-1** with the concomitant documents for it to be deemed as a complete proposal.
- In case the established is relaxed under **Para 79** RPFC can withdraw the relaxation by using **Form CE-1(R)**.
- Further, in cases where the establishment concedes and offers to give up its exemption, subsequent to the detection of violations of conditions of exemption RPFC shall immediately take over the Trust and facilitate compliance with the provisions of **Section 17(5)** read with **Para 28** of the Scheme as regards transfer of PA dues to the Fund under CBT and immediate credit of the accounts of the newly joined subscribers.
- This is done to secure the interests of the workers However the draft agenda of all such special cases of surrender shall be sent to Z.O only with a Third-Party Audit

report in **Form RM-6**.

- Cancellations triggered by the operations of the condition No. 25 and 29 shall necessarily involve mandatory withdrawal of exemption through **Form CE-9** and **Form CE-10**.
- In the case of cancellation involving condition No. 25 the Third-Party Audit shall be completed by the 31st of December of the FY prior to the 1<sup>st</sup> April of the year from which cancellation is being withdrawn.
- In the case of a cancellation process involving **Condition no 29** the Third-Party audit shall be completed compulsorily within two months of the issuance of **Form CE-10**. In both the cases however, the draft agenda should compulsorily be accompanied with the Third-Party audit report



#### **STAKEHOLDER: ZONAL OFFICE**

##### **LIST OF ACTIVITIES**

- Scrutinize and send the agenda to HO in **Form CE-4** within **30 days** from the receipt of the proposal from RO
- Follow up with the appropriate Govt. (if State Govt.) through the forum of Regional Committee as regards the pending cancellation proposals which have been recommended for cancellation by the CBT.
- Forward the proposal for removal of online return filing link to HO.



#### **STAKEHOLDER: HEAD OFFICE EXEMPTION DIVISION**

##### **LIST OF ACTIVITIES**

- In a time bound manner shall place the Draft agenda received from the ZO before the EEC for its decision
- The decision of the EEC shall be communicated to CBT which in turn shall forward its views to the appropriate Govt. for a final decision
- Subsequently after the formal notification HO shall accede to the link removal request.
- Subsequently in conjunction with Investment division HO Exemption division shall duly verify the receipt of PA in all its components; cash and securities.

## 4.6 *Exceptional Circumstances*

- a. In cases where **Condition No 19** is attracted, RPFCs may approach the depository participants to transfer the holdings of the Trust to CBT in **Form CE-11** and any non-Compliance with this request can entail cancellation of exemption of the Establishment after the issuance of a show cause notice.
- b. In the case of **closed establishments**, the RPFC shall facilitate transfer of past accumulation from a prospective date or the actual date. However, this action shall not preclude initiation of cancellation proceedings by the RPFC on the basis of available records.
- c. If the employer's whereabouts are not known, then the RPFC may advertise in the local newspaper as regards closure of such exempted establishment. The intention of bringing the Trust within the fold of EPFO may be specified with a request to the general public to furnish any available information for the purposes of cancellation of exemption **within 30 days** of the publication of the advertisement.
- d. In cases where despite existence of the conditions meriting cancellation as per **condition no 25 and condition 29** the cancellation is pending beyond the time frame indicated in the aforesaid two conditions RPFC shall proceed to get a third-party audit done immediately.

- e. However, if despite due diligence the same cannot be done on factual grounds he/she can proceed to take immediate action without waiting for any Third-Party audit report. This is required to secure the interest of workers for whom the exemption primarily exists.
- f. The draft agenda in **Form CE-2** in such cases shall be processed and sent to ZO with a note on the pending Third-Party audit, which shall include the reasons behind such pendency and the due diligence taken by the RPFC as regards completion of the Third Party audit before proceeding to send the agenda to ZO.
- g. Further **Form CE-3** sent to H.O shall be accompanied with a note from Zonal ACC on the pending Third-Party Audit.
- h. The said draft agenda shall be put up to EEC only along with the note from RO and comments from Zonal ACC so as to take a decision as regards waiver of this document while sending recommendations for cancellation to CBT.
- i. However subsequent to the issuance of notification for cancellation, a third-party audit of the Trust Fund shall be mandatory at the time of transfer of PA dues.

## *4.7 Handling of Court Cases*

The petitions/counter affidavits (CA) in defense of the department's actions towards cancellation shall be drafted at the RO and vetted by RPFC. Every CA against a petition challenging the cancellation of exemption shall be prepared keeping in mind the following legal concepts

- a. Exemption granted to the establishment is a privilege based on the financial health and compliance profile of an establishment once the appropriate Government is satisfied that the establishment had the financial heft to match the benefits provided by EPFO.
- b. Once the appropriate Government convinces itself that the financial condition of the establishment is not sound enough to sustain the aforementioned privilege of maintaining its own provident fund the same privilege can be withdrawn.
- c. Withdrawal of exemption is not a penal action; the same is provided under Section 14(2A) of the Act when there is a violation of conditions of exemption as provided

under Section 17(1A) and 17(3) and elaborated under Appendix “A” Para 27AA of the Scheme. Thus violation of conditions of exemption can lead to either cancellation or withdrawal of exemption or a penal action under Section 14(2A) of the Act or both. **(Reference can be made to the Hon. Supreme court’s observations in N.K. Shah Vs C.K Shah and others)]<sup>16</sup>**

- d. The scheme of an exempted establishment is a scheme under the EPF Act just like the EPF Scheme 1952. Exemption doesn’t mean that the scheme of the exempted establishment is outside the purview of the Act. In fact, just to prevent a duplication of work the establishment has been allowed to have its own scheme. Both are schemes under the same Act **(Tata Iron and Steel Co. Ltd v Bir Singh and another-1983(63) FJR.32; Patna High Court)]<sup>17</sup>**
- e. As such the exempted establishment is subject to all the compliance provisions under the Act; Section 6.7A,8 and 14B. In fact the exempted establishment has to follow all the conditions of exemption as indicated in the EPF Scheme 1952 [Section 17(1A) (a) to (d).
- f. The RO and the ZO shall be alive to their duties as regards the logistics involved in the preparation of CA and the communications to HO which have been laid down in the Legal Framework document.

## What the Courts Says:

The law on exemption has evolved in due course thanks to the interpretations of its key legal concepts by the Courts by way of some important judgements. An attempt has been made to consolidate the ratios of the said judgements as indicated below.

**Case Name 1:** N.K. Jain and others v C.K. Shah and another-1963(1) LLJ.536

**Judgment interpretation:** Exemption is a privilege and its withdrawal not a penalty

**Case Name: 2.:** Mohammedali and others v. Union of India and another-1963(1) LLJ.536]

**Judgment interpretation:** Exemption is with a view to avoiding duplication and permitting the employee concerned with the benefits under

the pre-existing scheme

**Case Name: 3:** Tata Iron and Steel Co. Ltd v Bir Singh and another-1983(63) FJR.32

**Judgment interpretation:** The scheme of the exempted establishment and the EPF Scheme, both are schemes under the EPF Act 1952

**Case Name: 4:** Binny Ltd V. Regional Provident Fund Commissioner and another-1999(94) FJR. 1869Karn.H.C-D. B.].

**Judgment interpretation:** Exempted establishments not permitted to credit interest annually at a lesser rate compared to the one allowed in Para 60 of the Scheme

**Case Name: 5:** Tamil Nadu Small Industries Development Corporation Ltd. v, Regional Provident Fund Commissioner, Chennai-2004(1) LLJ.67:2004(1) LLN.782(Madras H.C.)]

**Judgment interpretation:** Exemption under Section 17, not a matter of right

**Case Name: 6:** Rhone-Poulenc Employee's Union v. Regional Provident Fund Commissioner and others-1996(2) LLJ.10019(Bom H.C)]

**Judgment interpretation:** Exemption under Section 17, not segregated into two separate compartments and the conditions of exemption are applicable to all types of exemptions

**Case Name: 7:** C.M.S. Matriculation Higher Secondary School, Coimbatore v. Regional Provident Fund Commissioner and another on 29<sup>th</sup> October, 1998

**Judgment interpretation:** Exemption under Section 17 not to be granted where the employer fails to satisfy that its private scheme is more beneficial

**Case Name: 8:** Gajanand Commercial Pvt Ltd and another v. Central Provident Fund Commissioner and others-2003(99) FLR.1109:2003(3) CLR.900:2004(1) LLJ.540:2004(5) LLN. (SNOC 90)89(Cal.H.C.)]

**Judgment interpretation:** Exemption under Section 17, to be cancelled only by the authority who granted it.



**Case Name: 9:** Sundaram Motors Ltd v The Employees Provident Fund, Regional Office, Chennai, represented by Regional Provident Fund Commissioner, Chennai-Puducherry Region and another-W.P.Nos.6763 and 16443 of 2008 and M.P. Nos. 1 and 1 of 2008 decided on 7th June,2011(Madras H.C.)]

**Judgment interpretation:** Exemption cannot continue in the name of the Trust alone when company does not exist

**Case Name: 10:** Jiyajeerao Cotton Mills Ltd. V. Dev Kumar Holani and others [1998(6) SCC.35: AIR.1998 S.C.2480:1998 SCC (L & S) 1444: 1998(2) LLJ.612 :1998 (3) LLN.928(S.C-2M]

**Judgment interpretation:** Notification unless made, amendments not to be applied

**Case Name: 11:** National Textile Corporation (Maharashtra North) Ltd v. Central Board of Provident Fund Employee's Provident Fund Organization, New Delhi and others-2010(3) LLJ.132:2010(126) FLR.712(BOM.H.C.)]

**Judgment interpretation:** "benefit"-interest, covered

**Case Name: 12:** Green Fields Public School Employee's Provident Fund trust v. Union of India and others [2007(3) LIC. (NOC,573) at p.156(Delhi H.C.)]

**Judgment interpretation:** Exemption-to be decided by appropriate Government and not by the Regional Commissioner

**Case Name: 13:** Regional P.F. Commissioner vs Hooghly Mills Co. Ltd & Ors C.A No.655 of 2012(Arising out of SLP© No. 17298/2009)

**Judgment interpretation:** Damages under Section 14 B. can be levied on exempted Trusts. Notably this Supreme Court judgement overturned the judgement of the Calcutta High Court on the same matter prohibiting levy of damages on exempted establishments

**Case Name: 14:** Gulshan Khandsari Udyog V UOI & Anr,1969 Lab IC 1869All), AIR 1968 All 75,3 FJR 467,1969-II LLJ477

**Judgment interpretation:** Employer seeking exemption u/s 17 ought to seek it before the appropriate govt. than before the HC in writ petition

**Case Name: 15:** Consolidated Crop Protection P Ltd v Hema Chandrarao (V) & Anr, 1977-1 LLJ 114 9Bom, 1977 Lab IC 251, 49FJR 346, 1976-IILLN 469

**Judgment interpretation:** After cancellation of exemption from the provisions of the statutory scheme neither the employee nor the employer can reduce the contribution to the statutory level

**Case Name: 16:** Lawly Sen & Co v RPFC, 1959-1 LLJ 272(Pat) (DB)

**Judgment interpretation:** Where exemption application is refused the liability of the establishment is effective from the date the scheme is notified and not from the date of refusal of the exemption application

# CHAPTER 5

## 5. Surrender of Exemption

### 5.1 Surrender of Exemption

Cancellation of exemption can take the route of a voluntary relinquishing of exemption by the establishment. Once such a decision is taken by the establishment and the Board of Trustees the exempted establishment needs to follow a designated protocol before the Trust fund is taken over by RPFC. As a matter of fact such a voluntary surrender of exemption]<sup>18</sup> is seen to be getting more frequent as exempted establishments unable to cope with the vagaries of an uncertain business climate and the fluctuations in the Bond and capital market find it difficult to match the benefits being provided by EPFO.

A tactical decision to concentrate on their core business while leaving the task of managing the PF of their employees to EPFO which has also significantly improved its service to its subscribers is taken and EPFO informed about such a decision well in advance. The increasing frequency of such decisions by exempted establishments led the CBT to devise a protocol in its 215<sup>th</sup> meeting. Encapsulating the decisions taken in the said meeting EPFO came out with a detailed circular dated 27/12/2016 which lays down the guidelines for handling such cases.

### 5.2 Stakeholder Roles & Responsibilities

STAKEHOLDER	ROLES & RESPONSIBILITIES
<b>Exempted Establishment</b>	<ul style="list-style-type: none"><li>• Inform EPFO well in advance about its decision to relinquish its exemption through a BOT resolution since the surrender becomes effective only from a prospective date</li><li>• Prepare a list of its beneficiaries with or without their KYC details, get a third-Party audit of the accounts of the Trust done in consultation with RPFC, transfer the PA dues of its employees to EPFO and undertake to resolve the grievances of its Trust beneficiaries prior to the period of surrender.</li></ul>

STAKEHOLDER	ROLES & RESPONSIBILITIES
<b>Regional Office</b>	<ul style="list-style-type: none"> <li>• Dual set of protocols; one to follow before the establishment is permitted to comply as an un-exempted establishment, while the other set of protocol lays down the procedure to be followed before the establishment is finally notified as an un-exempted establishment.</li> <li>• After a scrutiny of the application the establishment shall be permitted to comply as an un-exempted establishment subject to transfer of PA and the conduct of a Third-Party Audit and credit of the account of the newly joined subscribers to the extent of the funds received.</li> <li>• The draft agenda shall be sent to ZO and after the notification of cancellation of exemption, however, RO should ensure complete transfer of PA and compliance with <b>Para 28(5)</b> of the Scheme.</li> <li>• Understand emphasis on a hassle-free service to the subscribers during the transitional phase of transfer of PA and surrender of exemption.</li> </ul>
<b>Zonal Office</b>	<ul style="list-style-type: none"> <li>• Certify the facts of the Draft agenda sent by the RO and send it to HO.</li> </ul>
<b>Head Office Exemption Division</b>	<ul style="list-style-type: none"> <li>• Scrutinize the draft agenda thoroughly before placing it before the EEC. The draft agenda so approved shall be placed before the CBT whose views in turn are communicated to the appropriate Government</li> <li>• Shall follow up with the appropriate Government as regards the final issuance of notification.</li> </ul>

## 5.3 Process Flow

- a. The exempted establishment seeking to relinquish its exemption shall submit its application addressed to the appropriate Government in **Form SE-1** along with the accompanying documents listed in the said form.
- b. The RO shall scrutinize the **Form SE-1** and permit liquidation of securities as a precursor to a credit of the PA in terms of the PA statement.
- c. Considering the necessity of providing immediate credit to the beneficiaries whose accounts are KYC compliant, RPFC shall allow credit of such accounts using the multiple upload facility, immediately to provide them uninterrupted service.
- d. However, the liability of the newly inducted members shall be limited to the amount received in their accounts. A Third-Party Audit of the Trust in the designated Form RM-6 to ascertain the financial health of the Trust shall be undertaken.
- e. Subsequent to this, RPFC shall issue orders in **Form SE-5** to comply as an un-exempted establishment and allow change in status of the establishment as un-exempted for making monthly remittance through ECR.
- f. Consequent to this the provisions of **Section 17(5) read with Para 28** of the Scheme shall come into force with its concomitant penal consequences in cases of non-compliance.
- g. All issues of non-compliance with the Conditions of exemptions pointed out by compliance audit teams as well as with any other provisions of the statute shall be addressed before processing the proposal for final onward communication to ZO.
- h. Since receipt of all PA dues prior to the formal notification for cancellation is the focal point of the entire process, an elaborate protocol has been laid down to account for all the accumulations and provide immediate credit to the newly joined KYC compliant subscribers in order to provide them a seamless service at EPFO's end.

### STAKEHOLDER: EMPLOYER/ ESTABLISHMENT

#### LIST OF ACTIVITIES

- Shall submit PA statement within **25 days of receipt of Form SE-5**
- Cash component of PA dues in **10 days in the Demand draft format**
- Govt. Securities within **30 days**



## STAKEHOLDER: REGIONAL OFFICE

### LIST OF ACTIVITIES

- Account for the cash component of the PA using the DR functionality in FO interface, verifiable by HO Exemption division through TRRN on the EPFO website.
- The receipt of Special Deposit Scheme, (after the establishment approaches its banker), and Govt. securities shall be confirmed by a collaboration between the HO investment division and the concerned RO which has a multi-level confirmation action involving DA(accounts), AC(Cash) and RC(FA)
- Shall provide immediate credit to all the KYC compliant subscribers within 30 days of the issuance of Form SE-5, and using the multiple upload facility allow credit in batches as the rest of the subscribers become KYC compliant in due course.
- Draft agenda for surrender shall be prepared and all pending compliance actions shall be initiated, compliance audit observations be rectified and any pending actions like levy of surcharge for deviation in the pattern of investment done as an essential prerequisite for forwarding the proposal to ZO in **Form SE-2**.
- After the receipt of a formal notification for surrender RPFC shall cause issuance of the requisite Gazette notification under Para 28(5) of the Scheme.
- Surrender proposal shall not be withheld on ground of non-payment of any dues other than the admitted PA dues as compliance action can be taken even after the cancellation of exemption. Initiation of all due legal action will be sufficient to make the proposal complete.



## STAKEHOLDER: ZONAL ACC

### LIST OF ACTIVITIES

- Shall forward the draft agenda sent by RO through a communication in FORM SE-3 in a complete shape, and fit enough to be considered by the Exempted

Establishments Committee / CBT, to the Exemption Division, Head Office along with specific recommendations through e-office only

- All Zonal ACCs shall issue appropriate directions to the field offices under their jurisdiction and ensure strict compliance of Head Office directions of depositing their DR collections only in the designated single collection bank account.



**STAKEHOLDER: INVESTMENT DIVISION HEAD OFFICE**

**LIST OF ACTIVITIES**

- Shall confirm the amount of SDS/permissible securities so intimated replying to the email back to the Regional Office within 03 working days.



**STAKEHOLDER: EXEMPTION DIVISION HEAD OFFICE**

**LIST OF ACTIVITIES**

- For cash component Exemption Division shall verify the TRRN provided by Regional Office in Agenda from EPFO Website
- The recommendations of the Exempted Establishments Committee shall be placed before the Central Board, in its subsequent meeting
- The complete set of documents, along with the recommendations of the EEC and CBT, shall be sent to the Appropriate Government
- Shall follow up on its own and through the Zonal Offices till formal completion of the desired action from the appropriate Governments

**Note:** Since the entire protocol of the process is designed keeping in mind the interests of the subscribers and their right to receive hassle free service it is imperative that all the stakeholders observe scrupulous adherence to the timelines prescribed for an expeditious disposal of the entire exercise.



# CHAPTER 6

## 6. Third Party Audit & Compliance Audit

### 6.1 Third Party Audit

- a. **Statutory provision:** Condition no. 24(a) of Appendix A to Para 27 AA of the EPF Scheme
- b. **Empanelment of Third-Party Auditors:** The following shall be the guidelines indicating the eligibility conditions for selection of such auditors, process of selection, nature of work to be performed by them and the remuneration to be paid to them:

#### i. Eligibility Conditions

1. An audit firm having a valid registration for at least **10 years with ICAI** (Institute of Chartered Accountants of India) and at least 5 full time partners with at least 1 full time FCA (Fellow Chartered Accountants).
2. Further, an experience of auditing accounts/handling tax matters with companies of having turnover of at least **50 crores** per annum and Average annual turnover of the audit firm should be at least Rs. **1.5 crores** in each of the last three years.
3. Furthermore, Applicant firm or its partners should **not have been held guilty of any professional misconduct under Chartered Accountants Act, 1949** (as amended) during past five years or penalized under any of the tax laws by ICAI or any other statutory body and should not be facing any investigation or enquiry by any tax authority for violation of any of the tax laws.

#### ii. Process of Selection

1. The process involves calling for applications via GeM, followed by scrutiny by a committee comprising RPFC-I of RO, the senior-most RPFC-I of ZO, and an expert member from ICAI. However, power to include RPFC-I in the committee vests with the ACC of the Zone.

2. A panel of audit firms is formed based on committee recommendations, with a minimum number determined by the number of exempted establishments. The panel's term is typically three years and can be extended.

### iii. Nature of Work

The auditors' responsibilities include certifying the establishment's legal status, ensuring the absence of capital erosion or consecutive losses, and submitting reports within 30 days in the specified format.

### iv. Scale of fees to be paid

The fees for these audits are determined based on the minimum scale recommended by ICAI, subject to amendments.

## 6.2 Scenarios and Prescribed Performa for Third Party Audit

- a. RPFC shall direct the third-party audit in the scenario of surrender as mentioned in process flow of Chapter-5 Surrender of Exemption.
- b. In scenario of cancellation as mentioned in process flow of Chapter-4 Cancellation of Exemption and any other scenario where it is considered necessary by RPFC/CPFC as per condition no. 24(a) of Appendix A to para 27 AA of the EPF Scheme.
- c. The prescribed Performa for the same is placed at FORM RM-6. Third party auditor shall submit the report in prescribed format within **30 days of conducting of the Third-Party Audit.**

## 6.3 Format for Third-Party Audit

A committee of officers shall be constituted to finalize the specific points of Audit in the third-party audit format. The format shall be reviewed after every 2 years. Till such time, the existing format shall continue.

## 6.4 Compliance Audit

### a. Statutory Provision

Condition no. 26 of Appendix A to para 27 AA of the EPF Scheme.

### b. Applicability

- i. A comprehensive compliance audit of all the establishments enjoying exemption either U/S 17(1)(a) of the Act or u/p 27A of the EPF Scheme so as to ensure that the conditions for grant of exemption is fully satisfied in administering the exempted PF Trusts.
- ii. The compliance audit should cover all establishments which are notified for having granted exemption and those establishments in respect of which the process of grant of exemption is in progress. The compliance audit should act as an effective tool in ensuring that the statutory and fiduciary responsibility of EPFO, Employer and Trustees are complied with and executed.

### c. Composition of Team to conduct Compliance Audit

The compliance audit shall be conducted by a team of three officers headed by RPFC-II/APFC and Enforcement Officer (EO), If EO is not there Accounts Officer (AO) can be accountable. The number of EO's should not be less than two (2) in numbers.

### d. Formats and Timelines

- i. The annual compliance audit of exempted establishments conducted by a team of officers from the RO is the most important regulatory tool available.
- ii. It shall be compulsorily completed by the 31st of December of the FY i.e., within 3 months of the issuance of the Annual report of the establishment and the Trust.
- iii. The report of the audit shall be submitted in Form RM-3. The ZO shall forward the status of compliance audit in FORM RM-4.

e. Subsequent Actions to be Taken

- i. Where it emerges from the audit that the establishment has violated the conditions of exemption or has otherwise attracted a condition for revocation of exemption (e.g. condition no.29, para 27AA, EPF Scheme, 1952), the RPFC/OIC shall proceed to recommend cancellation of exemption.
- ii. In other cases, the violations/defaults should be met with corrective and/or penal actions prescribed under the law for such instances.

# CHAPTER 7



## 7. Governance Structure

### *7.1 Need for a Governance Structure*

- a. There are 1305 exempted establishments throughout the country as per Annual Report 2021-22 invested Rs. 1, 05,409.38 Crore during the year. The exempted establishment represent the crème de la crème of the entire India Inc. and employs a significant chunk of our formal workforce contributing to the growth of the nation.
- b. Keeping in view the strategic importance of this sector the EPFO is duty bound to provide world class services to them through a complete digitisation of our systems and protocols which is already underway. The basic governance structure to manage the tasks at present is as indicated below.

### *7.2 Existing Governance Structure*

#### **7.2.1 Head Office**

- a. The Exemption Division is the Nodal agency for handling all cases of grant, surrender and cancellation of exemption. In this context, it liaisons between the CBT, Appropriate Government and EEC on one hand and the ZO, RO and the exempted establishment on the other.
- b. It also reviews and monitors the functioning of ZO's vis a vis the position of filing of online returns as well as the Compliance audit of exempted establishments through a predesigned mechanism.
- c. It also follows up the progress of cases of grant, surrender and cancellation pending at the end of the appropriate Government. Lastly it has the task of reviewing the work protocols being followed in all EPFO offices vis a vis exemption and issuance of SOP's and circulars to fill the gaps and facilitate a proper interpretation and timely compliance of the Law on exemption

- d. HO, Exemption Division shall take steps for capacity building both at internal and external levels in collaboration with PDUNASS and specialized agencies as well as experts dealing with bond and capital market functioning vis a vis the investment of PF money so as to facilitate development and adoption of the best practices from time to time across the board. Similar practices shall be adopted at the ZO, level with respect to the establishments under their jurisdiction.
- e. The various verticals of Exemption division at HO level is manned by officers depicted as per diagram below

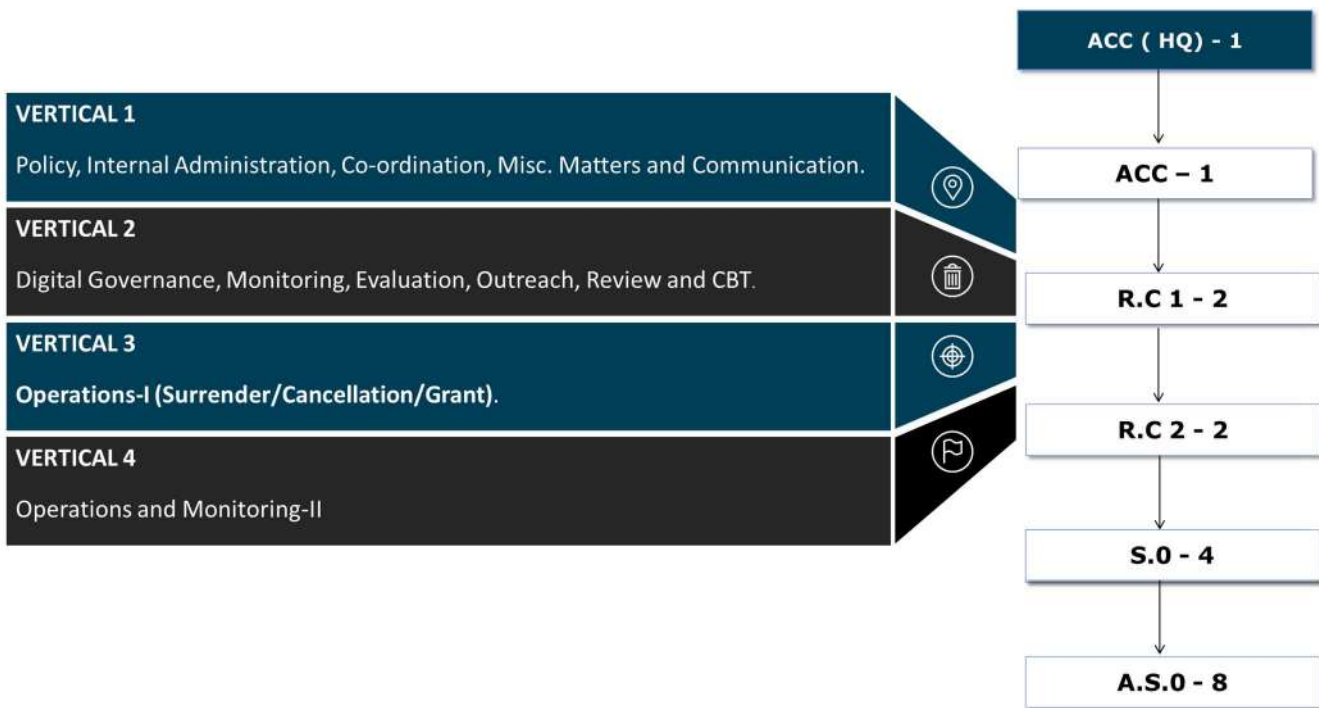


Figure 3: Verticals and Human resources at HO - Exemption Division

- f. Further, role of Head Office as per various chapters in these manuals are given below

TOPIC	Grant of Exemption	Regulation & Management of Exempted Establishments	Cancellation of Exemption	Surrender of Exemption
ROLE OF HO	<ul style="list-style-type: none"> <li>• Scrutinize and present a complete agenda</li> <li>• Within 28 days or ensuing EEC whichever is later.</li> </ul>	<ul style="list-style-type: none"> <li>• Monitor the performance of the ZO Vis a Vis the position of online returns filed by the establishments</li> <li>• Timely conduct of compliance audit</li> <li>• Shall conduct outreach programs in consultation with PDUNASS from time to time</li> </ul>	<ul style="list-style-type: none"> <li>• Scrutinize and present a complete agenda</li> <li>• Within 30 days or ensuing EEC whichever is later.</li> </ul>	<ul style="list-style-type: none"> <li>• Scrutinize and present a complete agenda</li> <li>• Within 30 days or ensuing EEC whichever is later.</li> </ul>



## 7.2.2 Exempted Establishment Committee

- a. The Central Board of Trustees, EPF in its 183<sup>rd</sup> meeting had passed the resolution to constitute the Committee on Exempted Establishments]<sup>19</sup> to aid and advice on specific matters concerning the Schemes and the Organisation.
- b. The Committee on Exempted Establishments deliberates and makes recommendations on all policy matters relating to the exempted sector. It is required to play a far more important role in the changed external working environment and the problems of increasing defaults from exempted trusts.
- c. The Government has amended the Income Tax Act, 1961 which deals with the recognized Provident Fund trusts which has implications for exempted Trusts regulated by EPFO. There are other issues relating to transfer of securities by the exempted trusts when exemptions are cancelled. All these issues would require adequate policy guidelines in the administration of exempt trusts.
- d. The Hon'ble Chairman, CBT, EPF has reconstituted the Exempted Establishments' Committee, sub-committee of CBT, EPF. The reconstituted Exempted Establishments' Committee shall consist of the members as on 18.08.2023 (Refer Figure 4 below)

The terms of references of the Committee are as under:

- a. To oversee the working of exempted establishments in all respects and to make suggestions for consideration of the Board to improve working of the exempted establishments.
- b. To consider and suggest additional guidelines for grant of exemption/relaxation.
- c. To review the role of exempted trusts in the context of changing business environment and current experience.

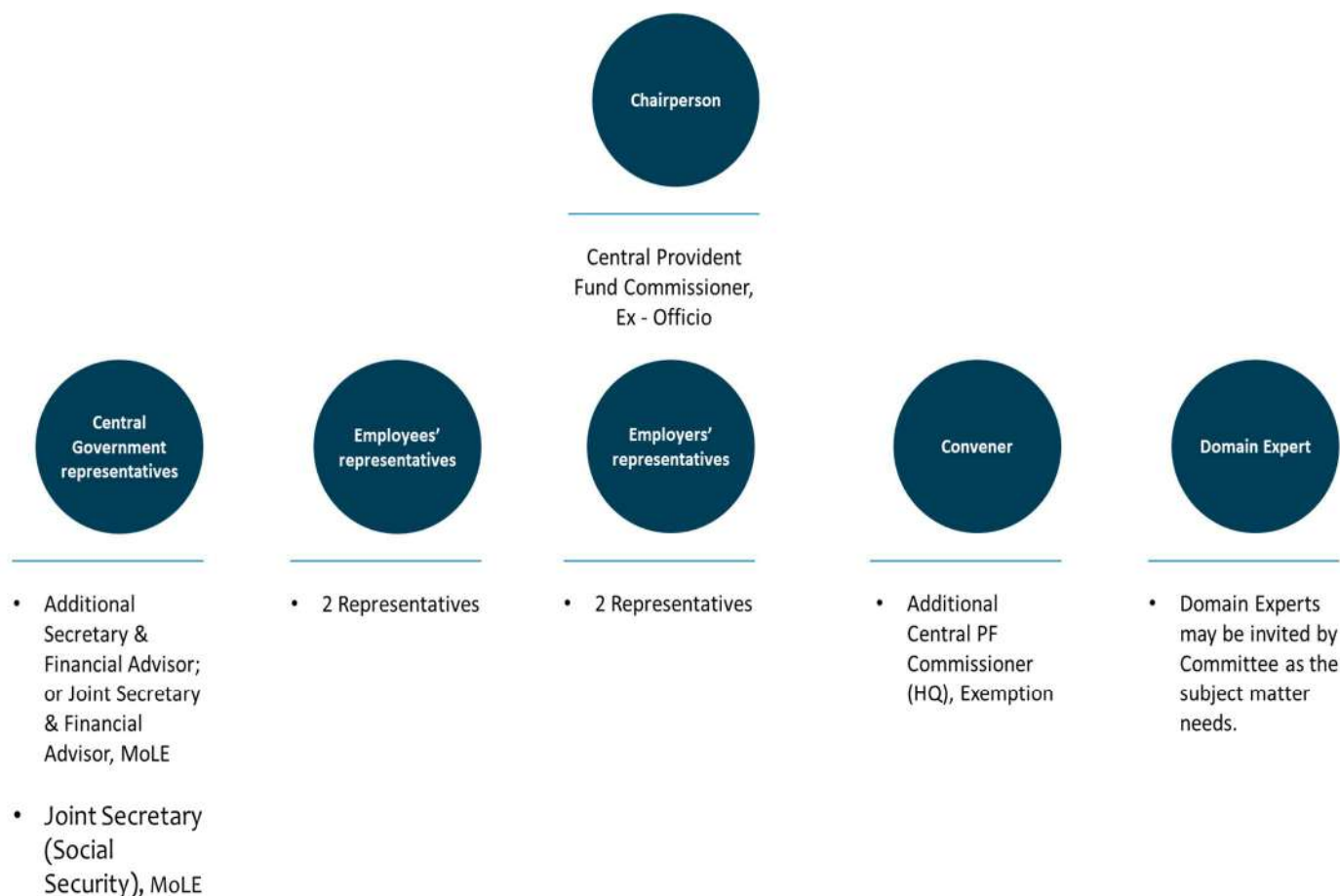


Figure 4: EEC Members

### 7.2.3 Central Board of Trustees

The apex body of the EPFO as per the proviso to Section 17 of the Act provides statutory consultation to the appropriate Government on all cases of grant of exemption. Further all cases of cancellation and surrender of exemption are put up to the CBT for its approval by the EEC upon a report prepared by RPFCA RO and duly vetted by ZO and HO Exemption division. Subsequently, the recommendations of CBT are sent to the appropriate Govt. for its final decision.

### 7.2.4 Capacity building and Information Dissemination:

HO Exemption Division shall take steps for capacity building both at internal and external levels in collaboration with PDUNASS and specialized agencies as well as experts dealing with bond and capital market functioning vis a vis the investment of PF money so as to facilitate development and adoption of the best practices from time to time across the board. Similar practices shall be adopted at the ZO, level with respect to the establishments under their jurisdiction.

As indicated aforesaid a structured programme of training to enhance the capacity of the EPFO personnel as well as the managerial ability of the Trustees entrusted with a fiduciary responsibility of managing the corpus for the Trust beneficiaries is integral to the entire context of exemption. The capacity building structure shall be threefold;

- (i) At the R.O. level emphasis shall be on the deployment of an adequate number of staff to man the exemption division. Their training needs shall be managed by the various ZTI's with a dedicated training module for exemption.
- (ii) At the Z.O level the process of capacity building shall have an external dimension; establishments shall be approached and seminars organized with an emphasis on their sharing the best practices adopted by the exempted Trusts.
- (iii) At the H.O. level the capacity building efforts shall have a national dimension. Thus apart from meeting the training needs of the officers for a proper management of the Exemption division both at the R.O's and H.O the PDUNASS shall also look to organize structured training programmes for exempted establishment Trusts. Such programmes shall encourage them to share their best investment and managerial practices. Simultaneously PDUNASS shall also organize specialized sessions with domain experts on capital markets as well as investment experts dealing with bond and equity market trends and practices. Lastly exemption being a function of the entire compliance matrix, sessions with legal experts on the statutory provisions and their proper interpretation shall be an indispensable part of all training modules on exemption at PDUNASS.

### **7.2.5 Zonal Office**

The Zonal office is headed by ACC/ACC(HQ) level officer and RPFC-I level officers are also posted. These officers are assisted by officials whose sanctioned strength vary across India.

The roles delineated for Zones are as detailed below:

TOPIC	Grant of Exemption	Regulation & Management of Exempted Establishments	Cancellation of Exemption	Surrender of Exemption
ROLE OF ZO	<ul style="list-style-type: none"> <li>Examine the Agenda fit for consideration of EEC within 14 days of receipt from RO and forwarding the same to HO , if deemed fit.</li> </ul>	<ul style="list-style-type: none"> <li>Monitor the regional offices under their jurisdiction regarding parameters such as online returns, grant/surrender/cancellation agendas and sending periodical reports to Head Office</li> </ul>	<ul style="list-style-type: none"> <li>Examine the Agenda fit for consideration of EEC within 30 days of receipt from RO and forwarding the same to HO , if deemed fit.</li> </ul>	<ul style="list-style-type: none"> <li>Examine the Agenda fit for consideration of EEC within 30 days of receipt from RO and forwarding the same to HO , if deemed fit.</li> </ul>

## 7.2.6 Regional Office

Regional office is headed by RPFC-I/RPFC-II level officer and RPFC-II/APFC level officers are also posted. These officers are assisted by officials whose sanctioned strength vary across India.

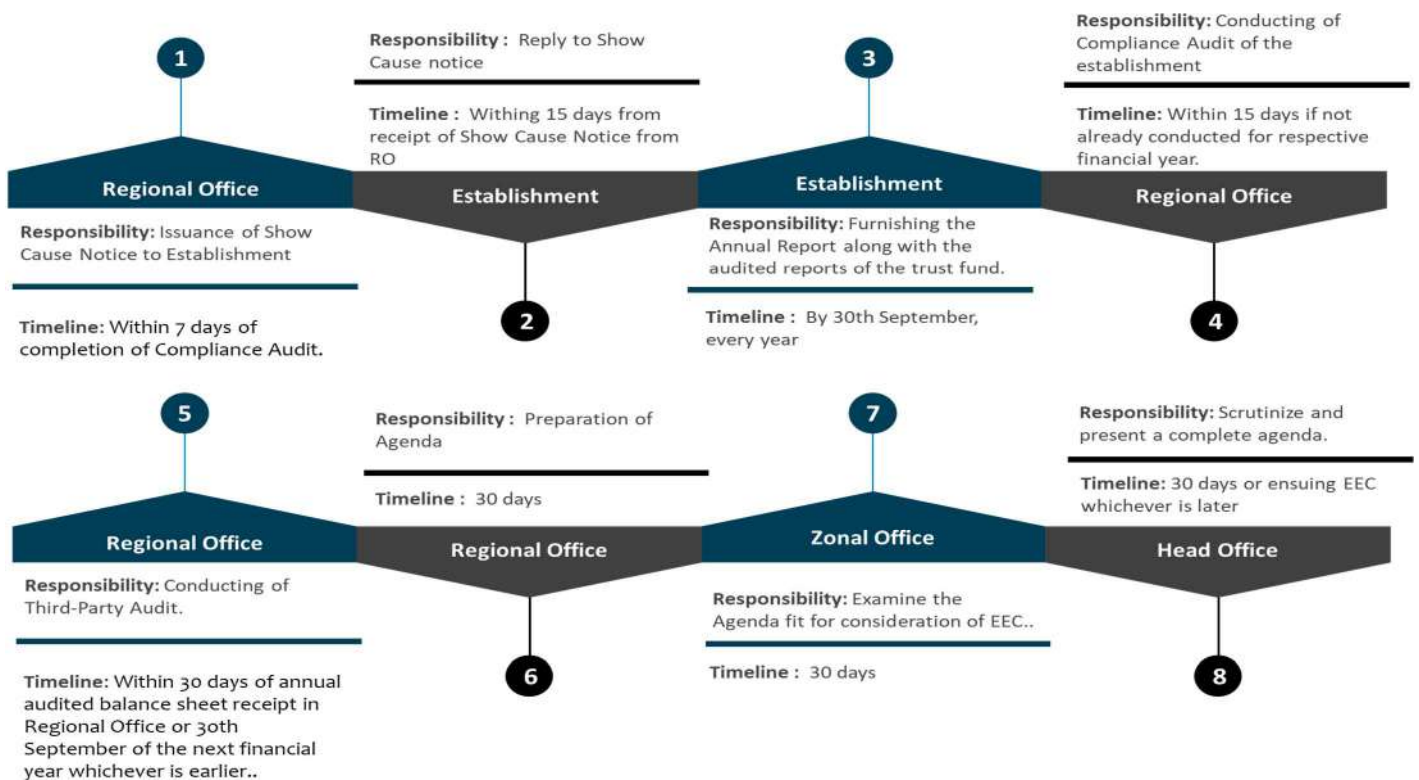
The roles delineated for Regional Offices are as detailed below:

TOPIC	Grant of Exemption	Regulation & Management of Exempted Establishments	Cancellation of Exemption	Surrender of Exemption
ROLE OF RO	<ul style="list-style-type: none"> <li>Post receipt of the complete application from the establishment, regional office to forward draft agenda to zonal office within 6 weeks.</li> </ul>	<ul style="list-style-type: none"> <li>Ensuring that the establishment files returns in time bound manner , conducting compliance audit and starting necessary actions when violations are detected.</li> </ul>	<ul style="list-style-type: none"> <li>Seek explanation from establishment regarding violations and if explanation not satisfactory , prepare draft agenda and send to Zonal Office within 30 days</li> </ul>	<ul style="list-style-type: none"> <li>Preparation for draft agenda for sending to Zonal office within 30 days of the receipt of application in complete shape.</li> </ul>

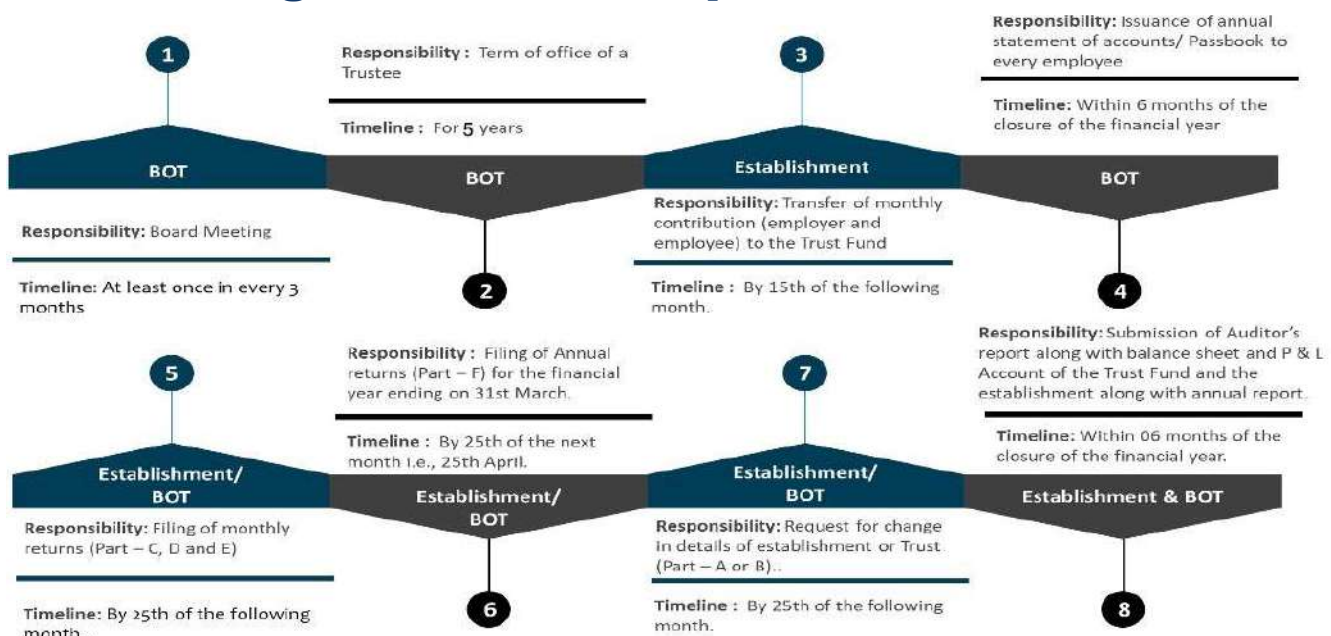
## 7.3 The Matrix of Timelines

This section highlights the major responsibilities and timelines to be abided by key stakeholders explained in earlier sections. The responsibilities and timelines have been explained with respect to Cancellation of Exemption, Regulation & Management of Exempted Establishments, Grant of Exemption and Surrender of Exemption

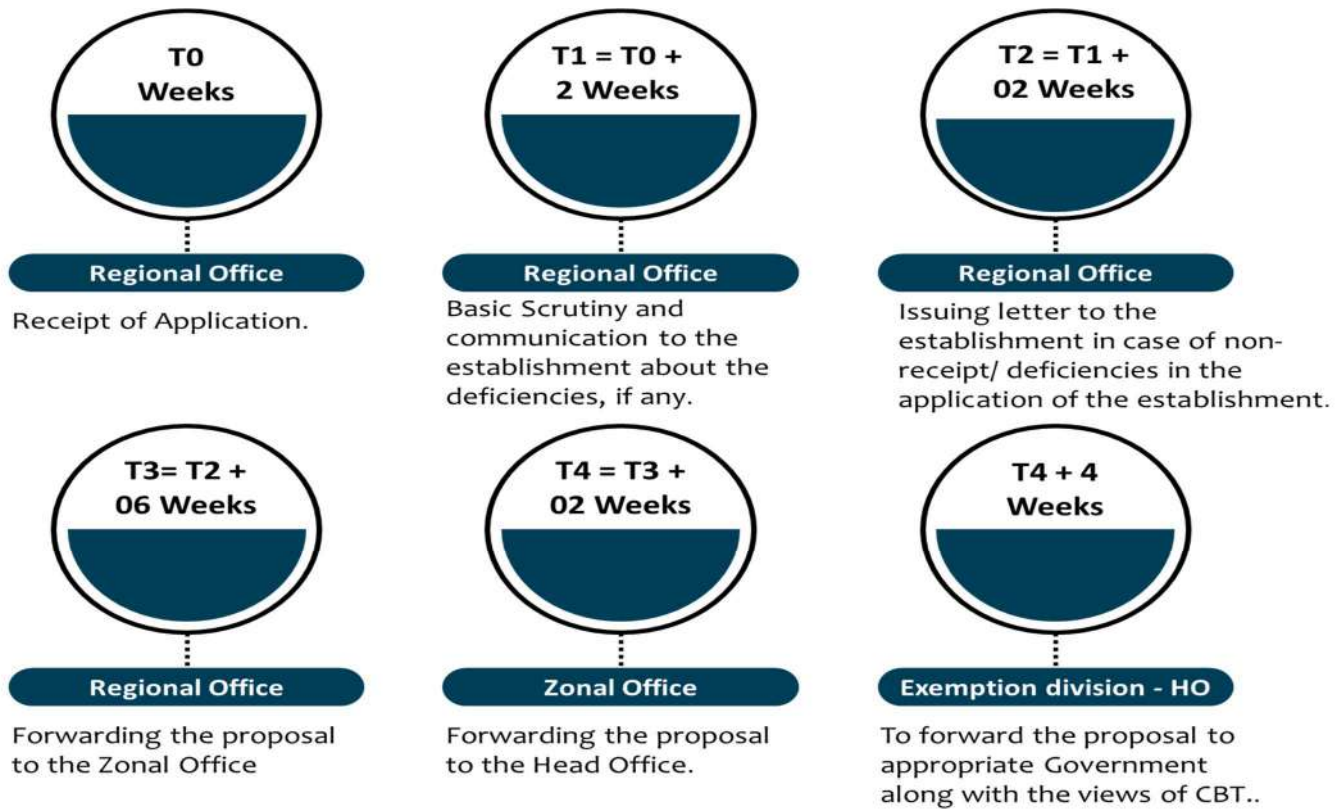
## 7.3.1 Timelines and Responsibilities for Cancellation of Exemption



## 7.3.2 Timelines and Responsibilities for Regulation & Management of Exempted Establishments



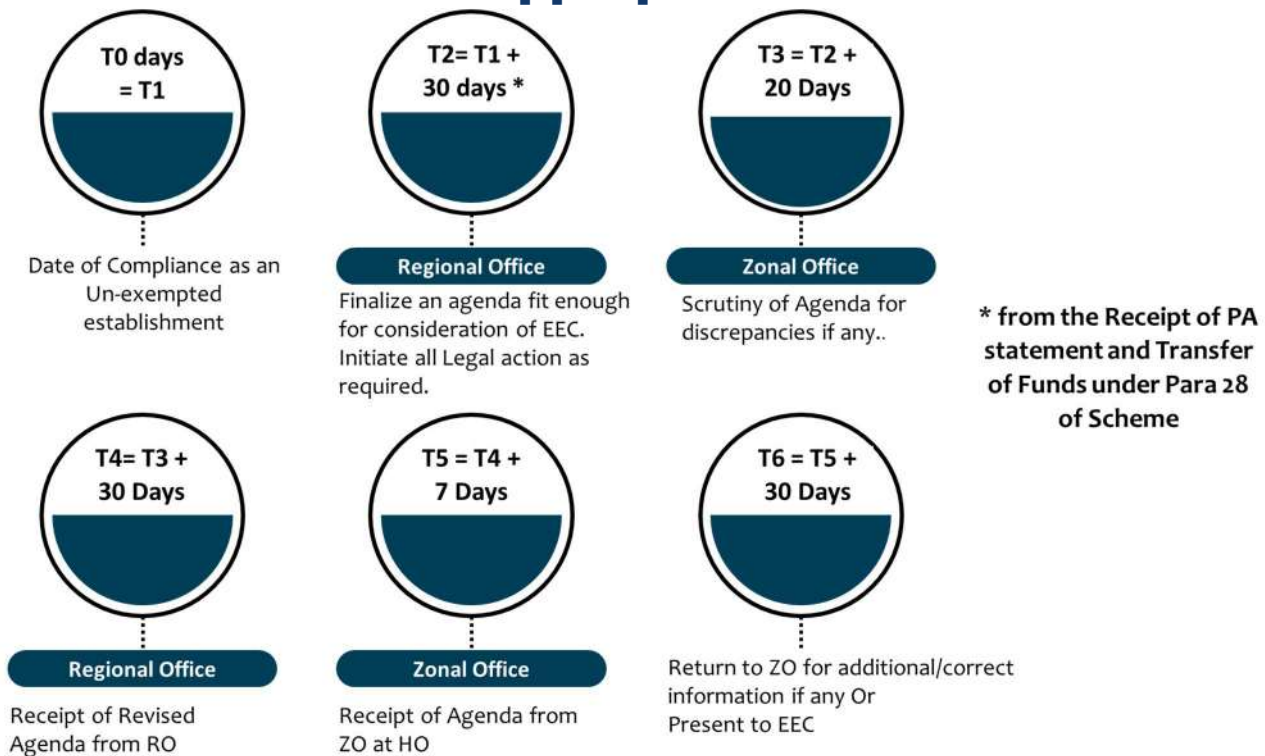
### 7.3.3 Timelines and Responsibilities for Grant of Exemption



### 7.3.4 Timelines for Grant of Permission to start compliance as an Un-exempted establishment

Time	T- 0 days(T-0)	T- 0 +7 days (T-1)	T-2	T-2 +30 days	T-3	T-3 + BoT's date for Surrender
Role	Receipt of Application	Basic Scrutiny and communication of deficiencies if any	Receipt of Revised Application	Verification of revised application and communication of final discrepancies	Receipt of Application in final shape including justifications for deficiencies if any	Permission to comply as an Un Exempted Unit

## 7.3.5 Timelines for Agenda preparation for consideration of appropriate Government



## 7.4 The Monitoring Mechanisms & Tools

### f. Grant of Exemption

- i. **At HO level:** Monthly review by ACC Exemption with all ACCs. Quarterly review by CPFC.
- ii. **At ZO level:** Fortnightly review by ACC. Further the Zonal Office shall forward an RO wise quarterly report in respect of their respective zone. The format of the report for Regional Office and Zonal Office is indicated in **Form GE-5**. However, the IS division shall develop an online reporting module after computerisation of the grant of exemption procedure as early as possible. Till such time, the Form GE-5 may be incorporated in the respective quarterly MIS report to be sent by the Zonal offices.
- iii. **At RO level:** Fortnightly review by RPFC

### g. Regulation and Management

### **i. RO Level**

1. Regular monitoring of FORM RM-1 through FO interface.
2. Monitoring of Online performance-based evaluation system
3. Timely conduct of Compliance Audit in FORM RM-2.
4. Submission of FORM RM-3 to ZO.
5. Scrutiny of FORM RM-5.
6. Third Party Audit on need basis in FORM RM-6.

### **ii. ZO Level**

1. Monitoring of Online performance-based evaluation system and issuance of advisory to RO, thereof.
2. Monitoring of FORM RM-3 and report to HO in FORM RM-4.

### **iii. HO Level**

1. Monitoring of FORM RM-1 through FO Interface by RPFC-Exemption.
2. Monitoring of Online performance-based evaluation system for advisories to ZO.
3. Monitoring of FORM RM-4.

### **a. Cancellation of Exemption**

- i. **At HO level:** Quarterly review by CPFC
- ii. **At ZO level:** Monthly review by ACC
- iii. **At RO level:** Monthly review by RPFC
- iv. In addition, a monthly report for monitoring to be sent by RO to ZO and by ZO to HO is mentioned in FORM CE-7 and FORM CE-8 respectively.
- v. **IS Division, Head Office** shall develop an online system to process the cancellation cases based on the priority matrix as in Form C.E.6 of this SOP. However, till such portal is developed the procedure shall be implemented as prescribed in the SOP with efforts to collect all documents through e-mail to the extent possible.
- vi. The Concerned Zonal Offices shall forward an establishment-wise **half yearly report** as per **Para 28 of EPF Scheme 1952** for the establishments whose cancellation is notified by the appropriate Government.



- vii. Regional Office shall submit the status related to the cancellation proposals under its jurisdiction and Zonal Office shall ensure that the timelines as per the SOP are adhered to, scrupulously. The monitoring of Zonal Office shall be done at the Head Office.
- viii. The website of EPFO shall be regularly monitored for the correctness of the display list of cancelled exemptions under their jurisdiction. Missing information shall be updated by sending a copy of notification to the web admin NDC and Head Office

**b. Surrender of Exemption**

- i. At HO level: Monthly review by ACC Exemption with all ACCs. Quarterly review by CPFC.
- ii. At ZO level: Fortnightly review by ACC.
- iii. At RO level: Fortnightly review by RPFC
- iv. In addition, a monthly report for monitoring to be sent by ZO (by seeking and consolidating reports from RO) to HO is given in the figure that follows

**c. Consolidated report in respect of monthly reports**

Opening Balance*(A)	Number of proposals forwarded to Head Office (B)	Number of Proposals remanded back from Head office (C)	Closing Balance (A-B+C) #	Number of proposals for which Third Party Audit has been conducted.	Number of proposals for which Compliance Audit has been conducted.
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\*For first OB, if no case is under SOP pipeline and no previous surrender proposal already sent to HO is pending for final action i.e. Approval of CBT, the same may be mentioned as numeric zero i.e. '0'. Otherwise, first OB should be mentioned as = number of previous cases pending for final action i.e. Approval of CBT + Number of proposals sent as per the SOP.

#: Enclose the list of establishments along with respective code number regarding the closing balance mentioned in table.

**d. Till the online monitoring tool /dashboard is developed the two basic tools for a proper monitoring and regulation of the exempted establishments are as indicated below.**

**i. Online returns**

Monitoring of online returns in FORM RM-1 shall be done at the RO Level and ZO Level followed by consequential actions as per the Priority Matrix in FORM CE-6 as well as the actions prescribed in Condition No 16 of Appendix “A”.

**ii. Online marks-based Performance evaluator**

Accessible at all levels this shall be the basis of proactive actions against establishments failing to secure the requisite number of marks.

# CHAPTER 8

## 8. Forms and Templates

### *8.1 Forms used in SOP of Grant of Exemption*

Sl. No	FORM	Description
1.	FORM GE-1	Application for grant of EPF exemption
2.	FORM GE-2	Basic profile of the establishment
3.	FORM GE-3	Basic profile of the establishment
4.	FORM GE-4	Format for sending proposals to the appropriate government
5.	FORM GE-5	A quarterly report about proposals of grant of exemption to be sent by regional offices to the concerned zonal office

**FORM GE - 1****APPLICATION FOR GRANT OF EPF EXEMPTION**

To,

The appropriate Government (***Refer to Section 2(a) of the Act***)

**Subject: Request for grant of EPF scheme exemption under Section 17(1)/17(2) in respect of M/s. \_\_\_\_\_ code no. \_\_\_\_\_ - regarding.**

Madam/Sir,

M/s. \_\_\_\_\_ requests for grant of EPF exemption under Section 17(1)/17(2) of the EPF & MP Act, 1952.

The details of the Establishment and the Trust are indicated below:

i.	Name of the Establishment	
ii.	PAN of the Establishment	
iii.	Address of the Establishment	
iv.	Details of Branches/Department with address & employment strength <i>(a separate sheet may be added if required)</i>	
v.	Name of the Employer <i>(Pl refer to Section 2(e) of the Act)</i>	
vi.	E-mail ID and Mobile No. of the Employer.	
vii.	Date of coverage	
viii.	P.F Code No.	
ix.	Total number of employees <i>(Pl refer to Section 2(f) of the Act)</i>	
	a) With Aadhar seeded UAN	

	b) Without Aadhar seeded UAN		
x.	<b>TRUST DETAILS</b>		
	a) Name of the PF Trust		
	b) PAN of the Trust		
	c) Address of the PF Trust		
	d) Date of constitution/reconstitution of the Board of Trustees		
	e) Single PF Trust or Common PF Trust?	Single/Common (Cross that is not applicable)	
	f) If Common PF Trust, Name (s) of Participating Units?		Name Whether exempted (Yes/No)
		1.	
		2.	
		3.	
g) Details ( <i>Name, Code No., address of the Principal Establishment Holding the common PF Trust</i> ).			
h) Names, Designation, Addresses and Contact Details of all the Trustees of the BoT.  <i>(A separate sheet may also be added in the format annexed to this Form)</i>			
i) Date of execution of the Trust Deed			
xi.	Type of Exemption applied for	Tick as applicable 1. Section 17 (1) of the Act 2. Section 17 (2) of the Act	
	If applied under 17(2), please indicate the clause that defines the		

	class of employees under the Trust Rules.	
xii.	Whether exemption is being sought for a) the establishment as a whole b) Class of employees.	
xiii.	Date from which exemption is sought	
xiv.	Is the Trust recognized under the Income Tax Act? (If yes indicate a copy of the last recognition)	
xv.	Rate of contribution a) whether at Statutory Rate b) whether at more than Statutory Rate	
xvi.	Contribution, inspection/ administrative charges paid up to the month	
	a) EPF Scheme, 1952	
	b) EPS-1995	
	c) EDLI Scheme 1976	
xvii.	Rate of interest declared from the date applied for grant of exemption.	
xviii.	Indicate the last financial year for which annual statement of accounts were issued to the members.	
xix.	Whether the company is reporting loss for three consecutive financial years or erosion in their capital base.	Yes/No
xx.	Whether contributions have been transferred to the BOT since the intended date of Grant of Exemption.	Yes/No

xxi.	Whether consent of majority of employees for the exemption exists?	Yes/No
xxii.	Whether audited balance sheet of the establishment and the Trust since the intended date of grant of exemption is enclosed?	Yes/No
xxiii.	Whether amount available for investment after meeting obligatory outgoings are invested according to the pattern of investment since the intended date of grant of exemption.	Yes/No

It is requested to grant of exemption from the operations of EPF Scheme with effect from \_\_\_\_\_.

I/We ..... undertake that the information given above is true and correct to the best of my/our knowledge and belief. We also understand that misleading information may have penal consequences and lead to rejection of the application without any further communication.

**(Employer)**

**Countersigned by  
(All Trustees)**



**CERTIFICATE OF UNDERTAKING (1/5)**

To

The Regional Provident Fund Commissioner,

EPFO \_\_\_\_\_

We, the Employer, and the Board of Trustees, undertake to abide by the conditions for grant of exemption under Section 17 of the Employees' Provident Fund & Miscellaneous Provisions Act, 1952.

This shall be legally binding on \_\_\_\_\_ (Name of the Establishment), and the Board of Trustees of \_\_\_\_\_ (Name of the PF Trust) including their successors and assignees or such conditions as may be specified later for continuation of exemption. *(Condition No. 22)*

We, also undertake to transfer the funds promptly within the time limit prescribed from time to time and as directed by the Regional Provident Fund Commissioner in the event of cancellation of exemption. This shall be legally binding on us and will make us liable for prosecution in the event of any delay in the transfer of funds. *(Condition No. 23)*

**(Signature and name of the Employer)**

**(Signature)**

**(Name.....)**

**Chairman of the Trust**

**(Signature)**

**(Name.....)**

**Secretary of the Trust**

**All Trustees (Name/Signature)**

### COMPARATIVE CHART OF BENEFITS (2/5)

S.NO.	UNDER THE ACT/SCHEME	AS PER THE RULES OF THE TRUST	RULE NO.
1.	Definition of Employee		
2.	Mode of Selection of Trustees	Election/Nomination/Selection	
3.	Rate of Contribution		
4.	Rate of Interest declared		
5.	Withdrawals and Advances		
7.	Issue of annual accounts slips within six months of financial year end.		
8.	Whether claims are settled within 20 days. <i>(Para 72 (7) of the Scheme)</i> <i>(Condition No. 12 of Appendix – ‘A’ of Para 27AA of the Scheme)</i>		
9.	Services to members  a) Electronic passbook with download facility.  b) Computerised account balance viewing facility.	Online/Offline	
10.	Grievance handling mechanism		

**(Signature of the Employer  
Chairman of Trust)**

**NAMES, DESIGNATION AND ADDRESSES (3/5)**  
**(OF THE TRUSTEES)**

#	Name	Designation	Establishment/ Participating unit	Address	email	Telephone	Aadhar Number
<i>Employer Representative</i>							
1.							
2.							
3.							
<i>Employee Representative</i>							
1.							
2.							
3.							

( \_\_\_\_\_ )

**Chairman,**

**Name of the Trust** \_\_\_\_\_

**CONSENT OF MAJORITY OF EMPLOYEES (4/5)**

We, the employer of M/s. \_\_\_\_\_ do hereby certify that intention of the establishment for seeking exemption under section 17(1)/ section 17(2) (as the case may be) of the EPF & MP Act, 1952 was displayed on the notice board of the establishment and such intention was also informed to all employees through e-mail and no objections were received from the majority of the employees as regards grant of exemption.

(\_\_\_\_\_)

**Employer's Name,  
Establishment's Name.**

**Employer's Representative:**

**Employee's Representative:**

**Name and Signature**\_\_\_\_\_

**Name and Signature**\_\_\_\_\_

**Name and Signature**\_\_\_\_\_

**Name and Signature**\_\_\_\_\_

**CHECKLIST OF DOCUMENTS TO BE SUBMITTED ALONG WITH THE APPLICATION FOR GRANT OF EXEMPTION (5/5)**

Sl. No.	Document	Page No. (from _ to _)	Remarks
1.	Application addressed to the appropriate Government.		
2.	02 copies of Trust Rules duly signed by all the Trustees including name and designation.		
3.	Names, designation and addresses of all the Trustees.		
4.	Consent of majority of Employees		
5.	Original Trust deed and their modifications if any		
6.	Undertaking to abide by the Condition No. 22 and 23.		
7.	Audited Balance Sheet of the Establishment prior to the three years before the proposed date of Grant of exemption till date of application.		
8.	Audited Balance Sheet of the Trust since the proposed date of Grant of exemption.		
9.	Comparative chart of Benefits vis a vis EPF Scheme 1952.		

**(Signature and name of the Employer)**

**CONDITIONS OF EXEMPTION AS PER APPENDIX 'A'  
TO PARA 27AA OF THE EPF SCHEME, 1952**

**(For Reference)**

1. The employer shall establish a Board of Trustees under his Chairmanship for the management of the Provident Fund according to such directions as may be given by the Central Government or the Central Provident Fund Commissioner, as the case may be, from time to time. The Provident Fund shall vest in the Board of Trustees who will be responsible for and accountable to the employees' Provident Fund Organisation, inter alia, for proper accounts of the receipts into and payment from the Provident fund and the balance in the custody. For the purpose, the "employer" shall mean-
  - i) In relation to an establishment, which is factory, the owner or occupier of the factory; and
  - ii) In relation to any other establishment, the person who, or the authority, that has the ultimate control over the affairs of the establishments.
2. The Board of Trustees shall meet at least once in every three months and shall function in the accordance with the guidelines that may be issued from time to time by the Central Government/Central Provident Fund Commissioner (CPFC) or an officer authorized by him.
3. All employees, as defined in section 2(f) of the Act, who have been eligible to become members of the Provident Fund, had the establishment not been granted exemption, shall be enrolled as members.
4. Where an employee who is already a member of Employees' Provident Fund or a provident fund of any other exempted establishment is employed in his establishment, the employer shall immediately enroll him as a member of the fund. The employer should also arrange to have the accumulations in the provident fund account of such employee with his previous employer transferred and credited into his account.
5. The employer shall transfer to the Board of Trustees the contributions payable to the provident fund by himself and employees at the rate prescribed under the Act from time to time by the 15th of each month following the month for which the contributions are payable. The employer shall be liable to pay simple interest in terms of the provisions of section 7Q of the Act for any delay in payment of any dues towards the Board of Trustees.
6. The employer shall bear all the expenses of the administration of the Provident Fund and also make good any other loss that may be caused to the Provident Fund due to theft, burglary, defalcation, misappropriation or any other reason.
7. 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.

8. The employer shall display on the notice board of the establishment, a copy of the rules of the funds as approved by the appropriate authority and as and when amended thereto along with a translation in the language of the majority of the employees.

9. The rate of contribution payable, the conditions and quantum of advances and other matters laid down under the provident fund rules of the establishment and the interest credited to the account of each member, calculated on the monthly running balance of the member and declared by the Board of Trustees shall not be lower than those declared by the Central Government under the various provisions prescribed in the Act and the Scheme framed there under.

10. Any amendment to the Scheme, which is more beneficial to the employees than the existing rules of the establishment, shall be made applicable to them automatically pending formal amendment of the Rules of the Trust.

11. No amendment in the rules shall be made by the employer without the prior approval of the Regional Provident Fund Commissioner (referred to as RPFC hereafter). The RPFC shall before giving his approval give a reasonable opportunity to the employees to explain their point of view.

12. All claims for withdrawals, advance and transfer should be settled expeditiously, within the maximum time frame prescribed by the Employees' Provident Fund Organisation.

13. The Board of Trustees shall maintain detailed accounts to show the contribution credited withdrawal and interest in respect of each employee. The maintenance of such records should preferably be done electronically. The establishments should periodically transmit the details of members' accounts electronically as and when direct by the CPFC/RPFC.

14. The Board of Trustees shall issue an annual statement of accounts or pass books to every employee within six months of the close of financial/accounting year free of cost once in the year. Additional printouts can be made available as and when the members want, subject to nominal charges. In case of passbook, the same shall remain in custody of employee to be updated periodically by the trustees when presented to them.

15. The employer shall make necessary provisions to enable all the members to be able to see their account balance from the computers terminals as and when enquired by them.

16. The Board of Trustees and the employer shall file such returns monthly/annually as may be prescribed by the Employees' Provident Fund Organization within the specified time-limit, failing which it will be deemed as a default and the Board of Trustees and employer will jointly and separately be liable for suitable penal action by the Employees' Provident Fund Organisation.

Provided that above mentioned return shall be filed by the employer in electronic format also, in such form and manner, as may be specified by the Commissioner.

17. The Board of Trustees shall invest the monies of the provident fund as per the directions of the government from time to time. Failure to make investments as per directions of the Government shall made the Board of Trustees separately and jointly liable to surcharge as may be imposed by the Central Provident Fund Commissioner or his representative. *(pl refer to the pattern of investment as notified vide notification no. S.O. 1433(E) dated 29.05.2015 and amended vide notification no. S.O. 3035(E) dated 22.09.2016 & notification no. G-20031/1/2012-SS-II (Pt.) dated 19.02.2018 and as amended from time to time)*

18. (a) The securities shall be obtained in the name of Trust. The securities so obtained should be in dematerialized (DEMAT) form and in case the required facility is not available in the area where the trust operates, the Board of Trustees shall inform the Regional Provident Fund Commissioner concerned about the same.

(b) The Board of Trustees shall maintain a script wise register and ensure Timely realization of interest.

(c) The DEMAT Account should be opened through depository participants approved by Reserve Bank of India and Central Government in accordance with the instruction issued by the Central government in this regard.

(d) The cost of maintaining DEMAT account should be treated as incidental cost of investment by the Trust. Also all types of Cost of investment like brokerage for purchase of securities etc. shall be treated as incidental cost of investment by the Trust.

19. All such investment<sup>6</sup> made, like purchase of securities and bonds, should be lodged in the safe custody of depository participants, approved by reserve bank of India and Central Government, who shall be the custodian of the same. On closure of establishment or liquidation or cancellation of exemption from EPF Scheme, 1952, such custodian shall transfer the investment obtained in the name of the Trust and standing in its credit to the RPFC concerned directly on receipt of request from the RPFC concerned to that effect.

20. The exempted establishment shall intimate to the RPFC concerned the details of depository participants (approved by the Reserve Bank of India and Central Government), with whom and in whose safe custody, the investments made in the name of trust, viz., Investments made in securities, bonds, etc. have been lodged. However, the Board of Trustees may raise such sum or sums of money as may be required for meeting obligatory expenses such as settlement of claims, grant of advances as per rules and transfer of member's P.F. accumulations in the events of his/her leaving service of the employer and any other receipts



by sale of the securities or other investments standing in the name of the Fund subject to the prior approval of the Regional Provident Fund Commissioner.

21. Any commission, incentive, bonus, or other pecuniary rewards given by any financial or other institutions for the investments made by the Trust should be credited to its account.

22. The employer and the members of the Board of Trustees, at the time of grant of exemption, shall furnish a written undertaking to the RPFC in such format as may be prescribed from time to time, inter alia, agreeing to abide by the conditions which are specified and this shall be legally binding on the employer and Board of Trustees, including their successors and assignees, or such conditions as may be specified latter for continuation of exemption.

23. The employer and the Board of Trustees shall also give an undertaking to transfer the funds promptly within the time limit prescribed by the concerned RPFC in the event of cancellation of exemption. This shall be legally binding on them and will make them liable for prosecution in the event of any delay in the transfer of funds.

24. (a) The account of the Provident Fund maintained by the Board of Trustees shall be subject to audit by a qualified independent chartered accountant annually. Where considered necessary, the CPFC or the RPFC in-charge of the Region shall have the right to have the accounts re-audited by any other qualified auditor and the expenses so incurred shall be borne by the employer.

(b) A copy of the Auditor's report along with the audited balance sheet should be submitted to the RPFC concerned by the Auditors directly within six months after the closing of the financial year from 1st April to 31st March. The format of the balance sheet and the information to be furnished in the report shall be as prescribed by the Employees' Provident Fund Organisation and made available with the RPFC Office in electronic format as well as a signed hard copy.

(c) The same auditors should not be appointed for two consecutive years and not more than two years in a block of six years.

25. A company reporting loss for three consecutive financial years or erosion in their capital base shall have their exemption withdrawn from the first day of the next/succeeding financial year.

26. The employer in relation to the exempted establishment shall provide for such facilities for inspection and pay such inspection charges as the Central Government may from time to time direct under clause (a) of subsection (3) of section 17 of the Act within 15 days from the close of every month.

27. In the event of any violation of the conditions for grant of exemption, by the employer or the Board of Trustees, the exemption granted may be cancelled after issuing a show cause notice in this regard to the concerned persons.
28. 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.
29. In case of any change of legal status of the establishment, which has been granted exemption, as a result of merger, demerger, acquisition, sale amalgamation, formation of a subsidiary, whether wholly owned or not, etc., the exemption granted shall stand revoked and the establishment should promptly report the matter to the RPFC concerned for grant of fresh exemption.
30. In case, there are more than one unit/establishment participating in the common Provident Fund Trust which has been granted exemption, all the trustees shall be jointly and separately liable/responsible for any default committed by any of the trustees/employer of any of the participating units and the RPFC shall take suitable legal action against all the trustees of the common Provident Fund Trust.
31. The Central government may lay down any further condition for continuation of exemption of the establishments.

**FORM GE - 2****BASIC PROFILE OF THE ESTABLISHMENT**  
**(TO BE FURNISHED BY RPFCS)**

1.	Name of the Establishment seeking Exemption	
2.	Code No.	
3.	Address of the Establishment	
4.	Date of Coverage	
5.	Date from which exemption is sought	
6.	Section under which Exemption is sought	
7.	Whether exemption is being sought for	
	a) the establishment as a whole	
	b) Class of employees	
8.	Appropriate Government	
9.	a) Name of the PF Trust	
	b) Single PF Trust or Common PF Trust?	
	c) If Common PF Trust, No. of Participant Units?	
	d) If Common PF Trust, Details (Name, Code No., etc. of the Principal Establishment Holding the PF Trust)?	
10.	Address of the PF Trust	
11.	a) Proposal for relaxation w.e.f.	
	b) If Relaxation not granted, whether complying as an Un-exempted Establishment?	
12.	a) No. of Branches of the applicant Establishment	
	b) Location of Branches with Name of the State	
13.	Details of employment strength	
	a) Number of 'directly' engaged employees	
	b) Number of 'indirectly' engaged employees	
	c) Total employees (a+b)	

**SUMMARY OF SCRUTINY BY THE RPFC**  
**(TO BE FURNISHED BY RPFCS)**

Sl. No.	Document/ Information	If received and verified.		Comments if any.
		YES	NO	
<b>1.</b>	<b>Application for Grant of Exemption</b>			
	Whether the application is signed by the employer?			
	Whether application is addressed to the correct Appropriate Government?			
	Section under which Grant has been sought?			
	If application is under Para 17(2), whether the definition of “Class of Employees” has been indicated in the application?			
<b>2.</b>	<b>Trust Rules</b>			
	Whether the Trust Rules are in compliance with the conditions of exemptions i.e., Appendix ‘A’ to Para 27AA.			
	Whether the Trust deed incorporates the Name and Address of the applicant establishment?			
	If it is a common PF Trust, whether the Trust rule incorporates the Names and Addresses of all the participating units?			
	Whether the Trust Rules are signed by all the Trustees with their names and designations?			

<b>3.</b>	<b>Certificate of Comparison of Benefits under the Rules of Trust</b>			
	Whether signed by employer and verified/certified by the RPFC?			
	Whether all the corresponding rules of the Trust have been matched with the EPF Scheme?			
	Whether the Comparison of Benefits are verified?			
<b>4.</b>	<b>Particulars of the Establishment</b>			
	Whether Establishment particulars have been verified and certified by the RPFC?			
<b>5.</b>	<b>Consent of Majority of Employees</b>			
	Whether the consent of majority of the employees has been received.			
<b>6.</b>	<b>Composition of the Board of Trustees</b>			
	Whether the No. of Trustees representing the employer and the employees ensures that their Nos. are in accordance with provision of Para 79C (1) of EPF Scheme, 1952?			
<b>7.</b>	<b>Names, designation and addresses of all the Trustees</b>			
	Whether the details of the Trustees have been furnished?			

	In case of common provident fund for a group of two or more establishments, whether one representative each from the participating establishments has been included in the Board of Trustees?			
<b>8.</b>	<b>Compliance Status of the Establishment</b>			
	Whether contributions at the statutory rates have been transferred to the BoT/RPFC regularly?			
<b>9.</b>	<b>Compliance Status of Contractor Employees</b>			
	Whether compliance of contract employees, by or through contractor (s) in or in connection with the work of the establishment has been furnished?			
	If PF Code No. is separately allotted to the contractor, whether name of the contractor and employment strength of each contractor has been furnished.			
<b>10.</b>	<b>Undertaking to abide by the Condition No. 22 and 23</b>			
	Whether signed by the employer and all the Trustees?			
<b>11.</b>	<b>Audited Balance Sheet of the Establishment</b>			
	Whether the audited Balance Sheet since the proposed date of exemption has been received?			
	Whether Condition No. 25 is attracted?			

<b>12.</b>	<b>Audited Balance Sheet of the Trust</b>			
	Whether audited balance sheet of the Trust has been furnished since the proposed date of exemption?			
	Whether the Trust has incurred any loss?			
	Whether the loss has been made good by the employer?			
	Whether the condition No. 24 C has been complied with?			
<b>13.</b>	<b>Compliance Audit Report (CAR)</b>			
	Whether any deviations that may impact Grant of exemption have been recorded in the CAR?			
	Whether the establishment has clarified the deviations reported and the same is found acceptable?			
<b>14.</b>	<b>Rate of Interest</b>			
	Whether the rate of interest declared is at par or more than Statutory rate?			
	Indicate the Interest Rate			
<b>15.</b>	<b>Constitution/reconstitution of BoT</b>			
	Whether BoT is constituted/reconstituted as per para 79C?			
<b>16.</b>	<b>Trust Deed</b>			

	Whether the registered Trust Deed has been furnished?			
	If No, Reasons for non-supply?			
<b>17.</b>	<b>Deed of Variation in Change of name of the Trust</b>			
	Whether the establishment has furnished the deed of variation?			
<b>18.</b>	<b>Total Corpus</b>			

**Conclusion:** The proposal for Grant of Exemption has been thoroughly scrutinized and is fit/not fit for consideration.

**Additional Remarks:**

**Name of RPFC**\_\_\_\_\_

**Region**\_\_\_\_\_

**Date**\_\_\_\_\_



**LIST OF DOCUMENTS TO BE ADDED BY THE RPFC WITH THE SUMMARY SHEET**

1. Ministry of Labour & Employment's (MOL&E), 16-points checklist duly signed and verified by the RPFC.
2. Comparison of Benefits under the Trust Rules duly signed and verified by the RPFC.
3. RPFC certificate regarding Investment Pattern.
4. Draft agenda for Exempted Establishment Committee.

**MOL&E 16-points check list for Grant of Exemption along with Form GE-2.**

<b>Sl. No.</b>	<b>Subject</b>	<b>Response</b>	<b>Remarks</b>
<b>1.</b>	Whether the Board of Trustees has been created under the chairmanship of employer?		
<b>2.</b>	Whether all the eligible employees are enrolled as members?		
<b>3.</b>	Whether the accounts will be maintained electronically, and all the members will be able to see their account balance from the computer terminals? If not, the reasons therefore, and by what time accounts are expected to be maintained electronically?		
<b>4.</b>	Whether the employer and the board of trustees have furnished a copy of the prescribed undertaking to the RPFC concerned as per the condition no. 22 contained in Appendix 'A' to Para 27AA the EPF Scheme, 1952? If yes, a copy of the same to be enclosed.		
<b>5.</b>	Whether the employer and the board of trustees have furnished the undertaking as per condition no. 23 contained in Appendix 'A' to Para 27AA of the EPF Scheme, 1952? If yes, a copy of the same to be enclosed.		
<b>6.</b>	Comparative statement of benefits admissible under the		

<b>Sl. No.</b>	<b>Subject</b>	<b>Response</b>	<b>Remarks</b>
	EPF & MP Act, 1952 and the Scheme proposed by the establishment based on which it is concluded that the scheme of the establishment is at least comparable with those of the Act?		
7.	Mechanism proposed by the EPFO/RPFC to ensure that establishment is complying with the provisions of the conditions for grant of exemption.		
8.	Name of the RPFC in whose jurisdiction the establishment falls.		
9.	Payments, which need to be made by the establishment ever after Grant of Exemption.		
10.	Whether the establishment is fulfilling the prescribed conditions after grant of relaxation under Para 79 of the EPF Scheme, 1952 and there is no violation of same?		
11.	Whether the Aadhar Seeding is being done by the establishment as per Aadhar Act, 2016? Furnish status.		
	a) Total A/c's seeded with Aadhar.		
	b) Total A/c's yet to be seeded with Aadhar.		
	c) Balance – A/c's to be seeded.		
12.	Whether the transfer of funds of inoperative Accounts is being done as per prescribed conditions of Senior Citizens Welfare Fund Rules, 2016.		
	i) Amount in inoperative A/c as on .....		
	ii) Amount transferred to Central Govt. as on .....		
	iii) Balance to be transferred		

<b>Sl. No.</b>	<b>Subject</b>	<b>Response</b>	<b>Remarks</b>
<b>13.</b>	Whether entire data is electronic?		
<b>14.</b>	Whether option for settlement of online claim is available?		
<b>15.</b>	Whether the Trust is having online grievance handling mechanism?		
<b>16.</b>	Whether the arm's length policy in investment is being followed by Trusts.		

**RPFC**

**Region** \_\_\_\_\_

**Date** \_\_\_\_\_

**FORM GE - 3****BASIC PROFILE OF THE ESTABLISHMENT**  
**(TO BE FURNISHED BY ACCS)**

1.	Name of the Establishment	
2.	P.F. Code No.	
3.	Date of coverage	
4.	Section under which Exemption is applied for	
5.	Date from which exemption is sought	
6.	appropriate Government	
7.	Whether Form GE-2 has been scrutinized?	YES/NO
8.	Has the establishment been relaxed under Para 79	YES/NO
9.	Reasons for placing the proposal before EEC?	Rejection/Acceptance for Grant of Exemption Proposal
10.	Whether relevant justifications have been included in the agenda for consideration of EEC?	

**Conclusion:** The proposal for Grant of Exemption has been thoroughly scrutinized and may /may not be considered. (Delete as appropriate)

**ACC****Zone** \_\_\_\_\_**Date** \_\_\_\_\_

**FORM GE - 4**

**FORMAT FOR SENDING PROPOSALS TO THE APPROPRIATE GOVERNMENT**

To,

The **appropriate Government**

**Subject:** Grant of exemption in respect of M/s. \_\_\_ code no. \_\_\_ - regarding

Madam/Sir,

M/s. \_\_\_ bearing code No. \_\_\_ has applied for Grant of exemption under Section 17(1)/17(2) of the EPF & MP Act, 1952 from the operations of the Employee's Provident Fund Scheme, 1952 vide its application dated \_\_\_

2. The application of the establishment for grant of exemption was placed before the EEC, in their \_\_\_ meeting held on \_\_\_ and before the Central Board, EPF in their \_\_\_ meeting held on \_\_\_.

3. Having considered the application, the Central Board has opined to recommend the case for grant of exemption under Section 17(1)/17(2) of the EPF & MP Act, 1952 to the appropriate Government which is the Government of \_\_\_ in this case.

4. In this context, please find enclosed the following documents for perusal and consideration.

- i. Application of the employer addressed to the appropriate Government for Grant of Exemption.
- ii. 16-points checklist prescribed by MoL&E.
- iii. Certificate of Comparison of benefits under the Trust Rules.
- iv. Consent of Majority of Employees.
- v. Up-to-date Compliance Status of the Establishment.
- vi. Undertaking to abide by the Condition No. 22 and 23.
- vii. Latest Compliance Audit Report for the last 03 years.
- viii. Copy of relaxation order granted by the concerned ACC, if any.
- ix. Copy of PF Trust Rules
- x. The specific recommendation of RFPC, Regional Office, \_\_\_\_\_ vide letter dated \_\_\_\_\_ and of ACC, Zonal Office, \_\_\_\_\_ vide letter dated \_\_\_\_\_.
- xi. Minutes of the \_\_\_ EEC Meeting held on \_\_\_.
- xii. Minutes of the \_\_\_ CBT Meeting held on \_\_\_.

5. If considered appropriate, necessary notification granting exemption may be issued in respect of the establishment under Section 17(1)/17(2) of the EPF & MP Act, 1952.

**Encl. – As above.**

(Name as per Vertical V-III/V-IV)

RPFC (Exemption)

Head Office

Copy to:      i) Zonal Office, \_\_.  
                  ii) RPFC Delhi west, \_\_.  
                  iii) ACC (Compliance) Head Office  
                  iv) ACC (Finance & Investment) Head Office  
                  v) ACC (IS)

For information and pursuing  
the appropriate Government  
for issuing notification please.

For information  
please

**CHECK LIST FOR THE HEAD OFFICE FOR FORWARDING THE PROPOSAL  
TO THE APPROPRIATE GOVERNMENT**

1.	Name of the applicant Establishment	
2.	P.F. Code No.	
3.	Regional Office	
4.	Zonal Office	
5.	appropriate Government	
6.	Whether the application of the establishment is enclosed	
7.	Whether minutes of CBT enclosed	
8.	Whether documents placed before CBT is enclosed	
9.	Whether approval of CPFC has been taken for forwarding to appropriate Government	

**RPFC**

**Exemption, Head Office**

**Dated** \_\_\_\_\_

**FORM GE - 5****(To be sent by 7<sup>th</sup> day from the end of the quarter)**

A quarterly report about proposals of Grant of Exemption  
to be sent by Regional Offices to the concerned Zonal Office in the .xls format as below:

<b>Name of Regional Office</b>	<b>Opening Balance</b>	<b>No. of proposals received up to the quarter</b>	<b>No. of proposals sent back to establishment for deficiencies / clarification</b>	<b>No. of Complete proposals received. (a)</b>	<b>No. of proposals forwarded to ZO. (b)</b>	<b>Closing Balance (a-b)</b>	<b>Remarks</b>
Delhi West							

Report on Grant of Exemption to be sent by Zonal Office to the Head Office in the .xls format”

**(To be sent by 10<sup>th</sup> day from the end of the quarter)**

<b>Zonal Office</b>	<b>Regional Office</b>	<b>Opening Balance</b>	<b>No. of proposals received up to the quarter</b>	<b>No. of proposals sent back to RO for deficiencies /clarification</b>	<b>No. of Complete proposals received. (a)</b>	<b>No. of proposals forwarded to HO. (b)</b>	<b>Closing Balance (a-b)</b>	<b>Remarks</b>
Tamil Nadu	Chennai							
	Tambaram							



**Monitoring format for review at Head Office:**

Zonal Office	
Opening Balance	
No. of proposals received up to the quarter	
No. of proposals Returned for clarifications	
No. of Complete proposals received.	
No. of proposals processed by ASO.	
No. of proposals processed by Division Head	
No. of agenda approved for EEC	
Closing Balance	
Remarks	
Oldest Pending Proposal	

## 8.2 Forms used in SOP of Management and Regulation of Exempted Establishments

Sl. No	FORM	Description
1.	FORM RM-1	Online returns to be filed by the establishment.
2.	FORM RM-2	Compliance Audit of exempted establishments
3.	FORM RM-3	Compliance Audit position by ROs to ZO
4.	FORM RM-4	Compliance Audit position by ZOs to HO
5.	FORM RM-5	Balance Sheet of the Trust Fund (Currently under preparation to be circulated later)
6.	FORM RM-6	Third Party Audit (Currently under preparation to be circulated later)

**FORM RM - 1**

ONLINE MONTHLY RETURN TO BE FILED BY ESTABLISHMENT EXEMPTED UNDER

THE EPF SCHEME THROUGH A RELAXATION ORDER OR NOTIFICATION

## FIELD WISE INSTRUCTIONS

## PART A: ESTABLISHMENT'DETAILS

SI. No	Field Name	Field Type	Remarks
A	Establishment ID	Will be auto populated based on log in by the employer	For any change in the data against B and/or C the employer needs to approach the concerned PF Office with a request letter and supportive documents as applicable.
B	Name of the Establishment		
C	Address		
D	PAN of the Establishment	Data entry	The PAN and the Name as per PAN will be verified from the Income Tax Database and the result will be displayed later.
E	Name of Establishment as per PAN	Data entry	
F	Ownership Type	Selection from a drop down list	Please see Annexure A to view the list.
G	Primary Activity	Selection from a drop down list	Please see Annexure B to view the list.
H	Exemption Under Section/Pare	Selection from a drop down list	Please see Annexure C to view the list.

SI. No	Field Name	Field Type	Remarks
I (i)	Relaxation Order Number	Data entry	Fields for I (i) to (viii) will be displayed if the selection against SI H is Section 17 (1) (a) or Para 27A.
I (ii)	Relaxation Order Date	Data entry	
I (iii)	Issued By	Selection from a drop down list	
I (iv)	Relaxation with effect from	Data entry	
I (v)	Notification Number	Data entry	
I (vi)	Notification Date	Data entry	Notification will be mandatory.
I (vii)	Issued By	Selection from a drop down list	
I (viii)	Notification with effect from	Data entry	
	In case of Exemption Under Para 27, Order Number		
I (i)	Order Date	Data entry	These fields will appear if the section under SL His Para 27.
I (ii)	With effect from	Data entry	
I (iii)	Issued By		
			The employer is required to enter the first order granting exemption to a member.
J	Branches having separate/Sub code	Click here link	Link shows the list of separate code/sub code which is updated in Form SA

SI. No	Field Name	Field Type	Remarks
K	Branches not having any code number	Click here link	The employer is also required to list out all its branches located at places other than the establishment and not having any separate or sub code number (employees working where are also complying under the Trust. Employer can add new branch in form SA.
L	Contribution Rate	Selection from 10 or 12% as applicable.	Default value will be 12%

Note: The part C, D and E will allow entry only when the Part A and B are filled in,

Part E and F will allow entry only if the establishment filing the return is also the Parent Trust in case of Common P F Trust (refer Part B).

#### EDITING OF THE DATA IN PART A

Once the data is saved, it can be edited later when there is any change in the data by click of the EDIT Button.

However the following data cannot be edited:

1. Name and Address of the Establishment. If any change is there the employer is required to request the concerned PF Office with supporting documents so that the data is first changed in the EPFO Application and it will be updated on the Unified Portal.
2. The PAN and Name as per PAN of the establishment if the data is verified and the status is shown as verified.
3. Selection of the Section/Para regarding the relaxation Order/Notification and the details of such order, as the start month of the return is based on the 'with effect from' date of exemption.

## PART B: TRUST DETAILS

Sl. No.	Field Name	Field Type	Remarks
A.	PAN of the Trust	Data entry	The PAN and the Name as per PAN will be verified from the Income Tax Database and the result will be displayed later.
B.	Name of the Trust as per PAN	Data entry	
C.	Name of the Trust as per Records	Display	The name will be displayed from the records of EPFO.
D.	Address Line 1	Data entry	
E.	Line 2	Data entry	
F.	City	Data entry	
G.	District	Selection	
H.	State	Selection	
I.	PIN	Data entry	
J.	Income Tax Order Recognizing the Trust	Data entry	Please inform if the trust has been recognized by the IT Department.
K.	Date of Income Tax Trust	Data entry	- Do -
L.	Date of Income Tax Order	Selection	Please select Single if the Trust is handling the PF Contributions of single establishment (including the branches, not having been granted any separate exemption). Select CPF Trust if the

			Trust is handling contributions from other participating units also.
	Details of Establishment having the Parent Trust {In case L is Common PF Trust)	The fields will be as follows:	<p>In case the establishment that is filling the return enters own code number as the Establishment handling the Trust, it will be able to enter the details in Part E and F.</p> <p>In case the Trust is handled by another code and the establishment filing the return is a Participating unit, he will be able to view the data in Part E and F if entered by the Parent Trust.</p> <p>A link to view the compliance by the Branch post March 2012 will also appear.</p> <p>There will be facility to add row for more branches.</p>
	Select State	Selection	
	State Office	Selection	
	Regional Code	Display	
	Office Code	Display	
	Code Number	Data entry	
	Extension	Data entry	
<b>M</b>	Details of Chairman	Following fields will be there	
	Name	Data entry	

	Designation	Data entry	
<b>N</b>	Details of Representatives	Following fields will be there	The details of the Representatives from the establishment which is filling the return should be entered.
	Name	Data entry	
	Designation	Data entry	
	Whether Employee or Employer Representative	Selection	
	Whether Elected or Nominated Member	Selection	
<b>O</b>	DMAT Account Details	Following fields will be there	There will be facility to add rows for more accounts.
	Account Number	Data entry	
	Depository Participant	Data entry	
	Depository Type	Selection	
<b>P</b>	CSGL/SGL Account Details	Following fields will be there	There will be facility to add rows for more accounts.
	Account Number	Data entry	
	Depository Participant	Data entry	
	Account Type	Selection	
<b>Q</b>	Trust Bank Account	Following fields will be there	The details is being collected so that the EPFO Offices and the other Trusts may transfer the PF Amounts through electronic mode. Only one account can be added, so that all payments are sent to it.
	Bank Account Number	Data entry	
	IFSC Code	Data entry	



			This information will be made available to the EPFO Offices and the PF Exempted Trusts and will also be auto displayed in the Online Transfer Claim Form.
<b>R</b>	Date of Last Constitution of the Board	Data Entry	Please enter the data when the Boards of Trustees was last constituted.

Note: The part C, D and E will allow entry only when the Part A and Bare filled in.

Part E and F will allow entry only if the establishment filing the return is also the Parent Trust in case of Common P F Trust.

#### **EDITING OF THE DATA IN PART B**

Once the data is saved, it can be edited later when there is any change in the data by click of the EDIT Button.

However, the following data cannot be edited:

4. The PAN and Name as per PAN of the Trust if the data is verified and the status is shown as verified.
5. The selection and subsequent entry regarding the Single and Common P F Trust since it will affect the data in the Part E and F.

#### **PARTS C, D and E (MONTHLY PART)**

The Part C and D are to be filled in by all establishments each month.

The Part E will have to be filled in by the Parent Trust only each month and the participating units having exemption granted will have the view rights.

#### **Part C : Employee Details(Monthly Part)**

<b>SI. No.</b>	<b>Field Name</b>	<b>Field Type</b>	<b>Remarks</b>
----------------	-------------------	-------------------	----------------

A.	Number of employees as on close of previous month		Data entry	One time data entry (only in the first return). On the next month the number of employees as on close of previous month is automatically displayed.
B.	Number of employees who joined in the current month		Data entry	
C.	Number of employees who left during the current month		Data entry	..
D.	Number of employees as at the end of current month		Display	Sum of (A+B+C) All types of employees are included.
E.	Number of Excluded Employees out of D above		Data entry	
F.	Number of employees for whom establishment has to comply		Display	$F=A+B-E$
G.	Contract Employee Details	Complying under Trust	Data entry	
		Complying as un- exempted under another code of establishment		
		Complying through respective code of contractor		

H.	Employees on Direct Payroll of Establishment	As exempted employee		
		As un-exempted Employee		
I.	Number of International Workers		Data entry	
J.	Number of Disabled Workers		Data entry	

## PART D: Contribution Details (Monthly Part)

SI. No.	Field Name	Field Type	Remarks
A.	OB of PF Contribution still due from employer	Data entry	Only one time data entry with first return. On subsequent months it will be automatically displayed
B.	PF Wages liable for Contribution	Data entry	
C.	EE Share	Data entry	
D.	ER Share	Data entry	
E.	Refunds	Due in the month Transferred	Data entry
F.	Total Due	Auto display	It will display the amount by adding total due amounts
G.	Details of Transfer of Contribution	Amount	Data entry
		Date	Selection
H.	Total amount transferred to BOT	Auto display	It will display the amount by adding total transferred amounts
I.	Balance Due for transfer	Auto display	It will display remaining amount by deducting total amount transferred from total dues.

J.	Interest paid	Data entry	Interest paid to Trust by the employer for any belated transfer to Trust
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**PART E: INVESTMENT DETAILS (MONTHLY PART by PARENT TRUST ONLY)**

SI No	Field Name		Field Type	Remarks
A.	Securities		Auto Display	Display the face value of opening balance after data entry in the first return through link (securities). In subsequent month, auto display
B.	Cash		Data entry	One time data entry
C.	Total		Auto display	It will display the amount by adding securities and cash i.e.(A+B)
Receipts				
D.	PF Contribution			
E.	Refunds (Loans & Advances)			
F.	Transfer in			
G.	Other Receipts			
H.	Recoup by Employer in	For Capital loss on investment		
I.	Case of loss by Trust	For Revenue loss on account of Interest shortfall		
Return from Investments:				
J.	Interest	Previous Due	Data entry	One time data entry. On next month it will be automatically displayed
K.		Receivable in	Data entry	

SI No	Field Name	Field Type	Remarks
		the current month	
L.		Received in the current month	Data entry
M.		Balance	Auto display It will display the amount by using the formula (J+K-L)
N.	Maturity	Previous Due	Data entry One time data entry. On next month it will be automatically displayed
O.		Receivable in the current month	Auto display The amount will appear from the details entered through the link "Matured During the Month". The sum of face value of all securities matured will be displayed
P.		Received in the current month	Data entry
Q.		Balance	Auto display It will display the amount by using the formula (M+N-O).
R.	Others	Received Due	Data entry One time data entry. On next month it will be automatically displayed.
S.		Receivable in the current month	Data entry
T.		Received in the current month	Data entry
U.		Balance	Auto display
V.	Total Receipts		Auto display It will display the amount by adding the following fields

SI No	Field Name	Field Type	Remarks
			(D+E+F+G+H+I+L+P+T)
<b>Payments</b>			
W.	Claim including Transfer out	Data entry	
X.	Loans and Adv	Data entry	
Y.	Other Payments	Data entry	
Z.	Total Payments	Auto display	It will display the amount by adding the claims including transfer out, loans and adv and other payments .i.e.(W+X+Y)
AA.	Amount available for Investment (B+V-Z)	Auto display	It will display the amount by using the formula (B+V-Z).
BB.	Total amount invested by BOT	Auto display	The amount will appear from the details entered through the link "Investment Details During the Month" It will automatically display the sum of amount from securities screen by using the formula (F+G-H)- The deal value will be taken.
CC.	Cash Balance	Auto display	
DD.	% of cash balance against available	Auto display	It will display the amount by using the formula (CC*100/AA).
EE.	Reason for un-invested amount	Data entry	



Screen opened through Hyperlink Securities/Matured Amount/Invested Amount



	Financial Institution item (iii) (a) of the Notification								D+E)
5	Bonds/Securities of Central Public Sector Undertaking item (iii) (a) of the Notification	One Time data	Data entry	Data entry	Data entry	Data entry	Data entry	Auto display	
6	Bonds/Securities of Public Bank item (iii) (a) of the Notification	One Time data	Data entry	Data entry	Data entry	Data entry	Data entry	Auto display	
7	Bonds/Securities of State Public Sector Undertakings item (iii) (a) of the Notification	One Time data	Data entry	Data entry	Data entry	Data entry	Data entry	Auto display	
8	TOR (less than a year) of PSB item (iii) (b) of the Notification	One Time data	Data entry	Data entry	Data entry	Data entry	Data entry	Auto display	
9	Collateral Borrowing & Lending Obligation	One Time data	Data entry	Data entry	Data entry	Data entry	Data entry	Auto display	

	(CBLO) item (iii) (c) of the Notification								
10	Bonds/Securities of Private Sector item (v) of the Notification	One Time data	Data entry	Data entry	Data entry	Data entry	Data entry	Auto display	
11	SOS	One Time data	Data entry	Data entry	Data entry	Data entry	Data entry	Auto display	
12	Others	One Time data	Data entry	Data entry	Data entry	Data entry	Data entry	Auto display	
<b>Categories for Investment as per New Pattern w.e.f 29.05.2015</b>									
13	Category (i) (a) Government Securities	One Time data	Data entry	Data entry	Data entry	Data entry	Data entry	Auto display	Will open only from May 2015
14	Category (i)(b) Other Securities	One Time data	Data entry	Data entry	Data entry	Data entry	Data entry	Auto display	
15	Category (i)(c) Gilt Mutual Funds	One time data entry	Data entry	Data entry	Data entry	Data entry	Data entry	Auto display	
16	Category (ii) (a) Listed Debt Securities	One time data entry	Data entry	Data entry	Data entry	Data entry	Data entry	Auto display	
17	Category (ii)(b) Basel III Tier Bonds	One time data entry	Data entry	Data entry	Data entry	<b>Data entry</b>	Data entry	Auto display	

<b>18</b>	Category (ii)(c) Rupee Bonds of IBRD, IFC and ADB	One time data entry	Data entry	Data entry	Data entry	<b>Data entry</b>	Data entry	Auto display
<b>19</b>	Category (ii)(d) Term Deposit Receipts(TDRs) not less than one year duration.	One time data entry	Data entry	Data entry	Data entry	Data entry	Data entry	Auto display
<b>20</b>	Category (ii) (e) Debt Mutual Funds	One time data entry	Data entry	Data entry	Data entry	Data entry	Data entry	Auto display
<b>21</b>	Category (ii) (f) Infrastructure debt. Instruments	One time data entry	Data entry	Data entry	Data entry	Data entry	Data entry	Auto display
<b>22</b>	Category (iii) (b) Category (iii) (b) Liquid Mutual Fund	Data entry	Data entry	Data entry	Data entry	Data entry	Data entry	Auto display
<b>23</b>	Category (iii) (b) liquid Mutual Fund	Data entry	Data entry	Data entry	Data entry	Data entry	Data entry	Auto display
<b>24</b>	Category (iii) (c) Term Deposit Receipts (TDRs) of up to one year duration	Data entry	Data entry	Data entry	Data entry	Data entry	Data entry	Auto display
<b>25</b>	Category (iv) (a) Shares of Body Corporates list	Data entry	Data entry	Data entry	Data entry	Data entry	Data entry	Auto display

	on BSE/NSE.							
<b>26</b>	Category (iv)(b) Mutual Funds regulated by SEBI	Data entry	Data entry	Data entry	Data entry	Data entry	Data entry	Auto display
<b>27</b>	Category (iv) (c) ETF of either Sensex index or Nifty SO index.	Data entry	Data entry	Data entry	Data entry	Data entry	Data entry	Auto display
<b>28</b>	Category (iv) (d) ETF's of Disinvestment by Govt. of India in body corporate	Data entry	Data entry	Data entry	Data entry	Data entry	Data entry	Auto display
<b>29</b>	Category (iv) (e) ETF for the purpose of hedging	Data entry	Data entry	Data entry	Data entry	Data entry	Data entry	Auto display
<b>30</b>	Category (iv) (a) CMBS or RMBS.	Data entry	Data entry	Data entry	Data entry	Data entry	Data entry	Auto display
<b>31</b>	Category (v)(b) Unite issued by REITs.	Data entry	Data entry	Data entry	Data entry	Data entry	Data entry	Auto display
<b>32</b>	Category (v)(c) ABS regulated by SEBI	Data entry	Data entry	Data entry	Data entry	Data entry	Data entry	Auto display
<b>33</b>	Category (v) (d) Units of Infrastructure Investment Trusts regulated	Data entry	Data entry	Data entry	Data entry	Data entry	Data entry	Auto display

	by SEBI								
<b>34</b>	Total investments	sum	sum	sum	sum	sum	sum	sum	

## Two more hyperlinks from the Part E

1. Regarding the Claim settlements in the Establishment and on the Grievance redressal. The pop up screen will ask each month the following data

Sl No	Data Field	Field Type	Remarks	
<b>Claims</b>				
1.	Financial Year upto which accounts audited.	Selection	Financial Year	
2.	Name & Address of the Auditor for last Six Years	Year	Data Entry	Entry of previous 6 Years
		Name		
		Address		
		CAs Registration Number		
3.	Whether copy of the latest Audit Report Sent to the RPFC	Selection	Yes/No	
4.	If Yes	Year	Data Entry	
		Sent vide letter		
		<b>No</b>		
		Latter date		
		Date of Receipt BY RPFC		
<b>II. Details of Annual Statement of account</b>				
5.	Annual Statement of account issued upto	Data Entry		
6.	No. of contributing members	Data Entry		
	Closing Balance Amount Giving Contributory members			
7.	No. of Non Distribution Members	Data Entry		
	Closing Balance Amount Giving Non Contributory members			
8.	Amount available for Distribution of interest	Data Entry		
9.	Rate of interest declared and credited	Data Entry		
10.	Whether the deficiency in interest was made good by the employer?	Selection		
11.	Whether the interest is on monthly accrual of balance	Selection		
12.	Whether the accounts are being mainlined electronically	Selection		
13.	Whether the member are able to	Selection		



	see their Account Balance		
14.	Whether the rules of the fund are displayed on a notice board	Selection	
<b>III. Financial Health of the Holdings</b>			
15.	Total Holding of the trust at the end of Financial Year	Data Entry	
16.	Market value of the holding of trust at the end of financial Year	Data Entry	
<b>IV. Amortization Account of the trust</b>			
17.	Opening Balance		
18.	Addition/Reduction during the year		
19.	Closing balance		
20.	#Reduction to be entered in(-)		
<b>V. Maturity in Defaults</b>			
a.	Default of Security	Data Entry	
b.	ISIN	Data Entry	
c.	Face Value	Data Entry	
d.	Deal value at the time of purchase	Data Entry	
e.	Amount Receivable	Data Entry	
f.	Amount Received	Data Entry	
g.	Amount in default	Data Entry	
h.	Total	=(e-f)	
<b>VI. Interest In Defaults</b>			
a.	Default of Security	Data Entry	
b.	ISIN	Data Entry	
c.	Interest receivable	Data Entry	
d.	Interest Received	Data Entry	
e.	Interest in Default	Data Entry	
f.	Total	=(c-d)	

**FORM RM - 2**  
**ANNEXURE –I**

**REPORT OF THE FINDINGS OF COMPLIANCE AUDIT**

**1.1 DETAILS OF THE ESTABLISHMENT**

- I. Name of the establishment: -
- II. P.F. Code no of the establishment: -
- III. Date of audit:
- IV. Period up to which audit carried out: Up to
- V. Date of coverage:
- VI. Names, addresses of braches/ departments:
- VII. Whether relaxation has been granted by the commissioner in terms of para 79 of the Scheme:
- VIII. Whether granted exemption under Section 17(1) (a), 17(1) (b), para 27,27A.
- IX. If exempted u/p 27, the employment strength of the establishment and the total no. of employees exempted:
- X. If exempted u/p 27A, the class of employees exempted and total no.:
- XI. XI. The no. of "excluded employees" by virtue of drawing more than Rs. 6500/- per month:

**1.2 The instances of violations/discrepancies be noted claearly for necessary action**

**1.2.1 Remittances & Returns**

<b>S.No.</b>	<b>Condition to be checked</b>	<b>Whether met (Y/N)</b>	<b>Action to be taken</b>
1	Whether the contribution payable at the rate prescribed under the Act are transferred to the Board of Trustees by the employer by 15 <sup>th</sup> of each month following the month for which the contributions are payable.		
2	Whether contribution to EPS dues have been deposited by 15 <sup>th</sup> of each month?		In case of default furnish month-wise details

<b>S.No.</b>	<b>Condition to be checked</b>	<b>Whether met (Y/N)</b>	<b>Action to be taken</b>
3	Whether any dues are pending?		Provide details of the assessment made u/s 7A and recovery actions initiated.
4	In case of delayed remittances, whether interest in terms of Section 7Q & damages U/s 14B of the Act has been levied upon and received from the employer?		
5	Whether the employer has paid prescribed inspection charges within 15 days from the close of every month?		If not, furnished months-wise details: Whether there are any assessed damages outstanding against the employer
6	Whether the Board of Trustees and the employer file the prescribed monthly/annual returns within the specified time limit?		If not, whether suitable penal action has been taken against the Board of Trustees and the employer jointly

### 1.2.2 Claim Settlements & Account Slips & Grievances

S.No.	Condition to be checked	Whether met (Y/N)	Action to be taken
1	Whether all claims are settled within the maximum time frame prescribed by the EPFO?		
2	Whether there is an effective mechanism for redressal of grievances regarding claim settlement (e.g., register of grievances etc.)?		If yes, the same may be verified and described.
3	Whether any dues are pending?		Provide details of the assessment made u/s 7A and recovery actions initiated.
4	Verification of the rejected/ returned claims The total no. of claims returned/ rejected during the year- Percentage of the total claims during the year- Reasons for returns / rejections as verified from records-		
5	Whether the accounts in respect of the employees are maintained electronically?		If not, furnished months-wise details: Whether there are any assessed damages outstanding against the employer

<b>S.No.</b>	<b>Condition to be checked</b>	<b>Whether met (Y/N)</b>	<b>Action to be taken</b>
6	Whether the members have access to their accounts and can see their account balance from the computer terminals?		If not, whether suitable penal action has been taken against the Board of Trustees and the employer jointly
7	Whether the board of trustees issued an annual statement of account or passbook to every employee within six months of the close of the Financial/ accounting year free of cost once in a year?		
8	In case if an employee who is already a member of the EPF or the PF of an exempted establishment is employed, whether his accumulations with his previous employer has been transferred and credited in to his account by his new employer?		
9	The problems/grievance of the employees as expressed by their representative Union or the employees' trustees be listed		Their Claim related difficulties be specialty recorded.

### 1.2.3 Enrolment & Conditions

<b>S. No.</b>	<b>Condition to be checked</b>	<b>Whether met (Y/N)</b>	<b>Action to be taken</b>
1	Whether all the employees as defined under section 2(f) of the Act are enrolled as members?		
2	Total number of P.F members in the trust		Details in respect of contributing and

<b>S. No.</b>	<b>Condition to be checked</b>	<b>Whether met (Y/N)</b>	<b>Action to be taken</b>
			non-contributing members be furnished.
3	In case of exempted/relaxed under section 17(1)(a)/Para 79 whether all the contract employees are enrolled to the trust		Details of the contract employees and contractors be furnished.
4	In case of exemption under para 27 or 27A of the EPF Scheme, whether the contributions of employees other than those in respect of which exemption has been either granted or applied for have been remitted into the statutory fund with the RPFC.		Information to be collected The no. of employees exempted u/p 27/27A The no. of unexempted employees-

**NOTE:** *In respect of employees engaged by or through independent contractors with separate provident fund code numbers, compliance would be into the statutory fund as unexempted establishments. The following details be furnished*

<b>S. No.</b>	<b>Name of the</b>	<b>PF Code No.</b>	<b>No. of employees</b>	<b>Office of EPFO where</b>	<b>Compliance made up to</b>
1	2	3	4	5	6

#### 1.2.4 RATE OF INTEREST

S.No.	Condition to be checked	Whether met (Y/N)	Action to be taken
1	Whether the interest declared by the Board of Trustees is at par with or higher than that declared by the Central Govt?		
2	If not, whether the employer has made good the deficiency to bring it up to the statutory limit.		Furnish the details

#### Investments

Whether the Board of Trustees have invested (within 2 weeks from the date of receipt of the said contributions) the amount of the provident fund as per the directions to the Govt. from time to time.

Total Invested Corpus including SDS A/c (as on \_\_\_\_\_) = Rs. \_\_\_\_\_

Break up of total investments made during the financial year be provided in the below format

Investment Pattern	% Amount invested	Norm	Reasons for deviation, if any
Government Securities and		Minimum 45% and Upto 65%	
Debt Instruments and Related		Minimum 20% and Upto 45%	
Short-term Debt Instruments and Related		Upto 5%	
Equities and Related Investments.		Minimum 5% and Upto 15%	
Asset Backed, Trust Structured and Miscellaneous		Upto 5%	

<b>S.No.</b>	<b>Condition to be checked</b>	<b>Whether met (Y/N)</b>	<b>Action to be taken</b>
1	Whether on failure to invest as per the above norm, the Board of Trustees separately and jointly have been made liable to pay surcharge.		
2	The total amount retained for obligatory outgoing/expenses (as on....) Whether the amount retained for obligatory expenses are reasonable and proportionate to the amount required for claim settlement etc.?		
3	Whether the securities have been obtained in the name of the Trust and in dematerialized (DEMAT) form?		
4	Whether the Board of Trustees has maintained a script wise register and has ensured timely realization of interest?		
5	Whether DEMAT account has been opened through depository participants approved by RBI and Central Govt. in accordance with the instructions?		
6	Whether all the investments made like purchase of securities and bonds have been lodged in the safe custody of depository participants?		
7	Whether the details of the depository participants in whose safe custody the investments made in the name of the Trust viz, in securities, bond etc. have been lodged have been intimated to the RPFC?		
8	Whether the Board of Trustees while raising sums of money for meeting obligatory expenses such as settlement of claims etc. have taken prior approval of the RPFCs for sale of the securities or other investments?		



9	Is there any case of non-delivery of contracted/purchased securities/bonds/script Furnish details.?		
10	Whether any case of securities/ bonds which could not be redeemed/encashed even after their date of maturity. If yes complete details thereof?		

#### 1.2.6 AUDIT OF ACCOUNTS

<b>S.No.</b>	<b>Condition to be checked</b>	<b>Whether met (Y/N)</b>	<b>Action to be taken</b>
<b>1</b>	Whether the accounts of the provident fund as maintained by the Board of Trustees are audited annually by a qualified independent Chartered Accountant?		The date of submission of a copy of the auditors' report along with the audited balance sheet to the RPFC concerned to be shared.
<b>2</b>	Whether it is ensured that the same auditors are not appointed for two consecutive years and for not more than two years in a block of six years?		
<b>3</b>	Whether the company has reported losses for three consecutive financial years or erosion in its capital base thereby invoking condition no 25 of para 27AA?		
<b>4</b>	Whether a show case notice/proposal for cancellation of exemption has been sent for violation of conditions 25 of para 27AA of the EPF Scheme 52 ?		
<b>5</b>	Whether the establishment is registered with BIFR ?		

<b>S.No.</b>	<b>Condition to be checked</b>	<b>Whether met (Y/N)</b>	<b>Action to be taken</b>
<b>6</b>	Whether the establishment is closed?		If yes, whether any action has been initiated for withdrawal of relaxation/ forwarding of proposal for cancellation of exemption. Please specify with complete details.
<b>7</b>	Whether all commission, incentive, bonus, or other pecuniary rewards given by any financial or other institution for investments made by the Trust have been credited to the trust's account?		Furnish details.
<b>8</b>	Whether the loss to the PF trust has been made good by the employer/establishment?		Complete details of the loss made good/ recouped by the establishment including amount, cheque/D.D no and date of credit in the trust account to be collected
<b>9</b>	Whether all the expenses of the administration of the provident fund has been borne by the employer?		Furnish details.

**NOTE:** A special note to be given on treatment of investment whether it is marked to market or amortised or booked on face value with profit and loss transferred to a separate proforma account etc.

### 1.2.7 OTHER BENEFITS

<b>S.No.</b>	<b>Condition to be checked</b>	<b>Whether met (Y/N)</b>	<b>Action to be taken</b>
1	Whether all amendments to the EPF Scheme which are more beneficial to the employees than the existing rules of the trust have been automatically made applicable pending formal amendment of the rules of the Trust?		
2	Whether any amendment of the rules has been made by the employer without the prior approval of the RPFC?		Furnish the details

### 1.2.8 EDLI SCHEME COMPLIANCE

<b>S.No.</b>	<b>Condition to be checked</b>	<b>Whether met (Y/N)</b>	<b>Action to be taken</b>
1	Whether exempted under Section 17 (2A) OR 17(2B) of the Act or relaxed under paragraph 28 (7) of the Employees' Deposit Linked Insurance Scheme, 1976 ?		If yes, Notification/ Order no. and date of issue by appropriate authority/Government.  The date of expiry for exemption to be collected
2	Whether application for extension of exemption has been made?		If not, action to be taken for securing compliance as unexempted

3	Whether the insurance policy purchased by the establishment has been revised in view of the revision of EDLI benefits by EPFO vide notification dated 18.06.10?		If complying as unexempted for EDLI whether the dues have been deposited timely.
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**1.2.8 MISCELLANEOUS IMPORTANT COMPLIANCE**

Whether Board of Trustees has been duly reconstituted under the chairmanship of the employer? If so when?

Complete details of all the participating units (if any) in the trust be provided in the below format.

S. No.	Name of the PF Trust	Name of participating Unit Or Establishment	PF Code No.	No. of PF members	Whether exempted or relaxed	RPFC who granted relaxation /Permission for participation	Effective date of relaxation
1	2	3	4	5	6	7	8

Whether at least one representative each of the participating units has been made a member of the common PF trust as per the provisions of para 79(C)(1)?

***(SIGNATURES, NAMES & DESIGNATIONS OF THE MEMBERS OF THE AUDIT TEAM)***

**FORM RM - 3****SUMMARISED INFORMATION REGARDING EXEMPTED ESTABLISHMENTS****Office.....****Region.....****Zone.....****PART – I**

- a. Details of all the establishments exempted or relaxed under section 17(1) or under para 27A/27/79 (including cases where exemption applications are under process)

S. No.	1
Name of the Establishment	2
Whether exempted u/s 17(1)(a) u/p 27A/27/79 (Mention the Relevant Section or Para only)	3
Exempted Or Relaxed w.e.f	4
If exempted, The notification No. & date, Otherwise, the relaxation order no. & date	5
Whether establishment has a separate code no. for compliance under EPS -95	6
Total no. of Employees exempted (from EPF Scheme, 1952)	7
If Exemption proposal pending with Head Office, give reference number	8

- b. Details of exempted establishments that are closed/ under liquidation or where recovery or other actions are stayed by any Court

S. No.	1
Name of the Establishment	2
PF Code No.	3
Whether closed or under liquidation or stay order of any court	4
Amount of dues recoverable	5

Whether relaxation withdrawn/ proposal for cancellation of exemption submitted to Head Office	6
---	---

c. Exempted establishments in default:

S. No.	1
Name of the Establishment	2
PF code number	3
Exemption u/s 17(1) (a)/Para 27A/para 27	4
Nature of Default	5
Action Taken	6

d. Exempted establishments (u/p 27A) which have obtained separate PF code nos. for compliance with the RPFC in respect of the unexempted category of employees

S. No.	1
Name of the Exempted Establishment	2
Code Number	3
Exemption u/s 17(1) (a)/Para 27A/para 27	4
Nature of Default	5

e. Exempted establishments under section 17(1) which have obtained separate code no.(s)/sub-code no.(s) for compliance of contract employees with the RPFC: -

S. No.	1
Name	2
Code Number	3
Sub – Code Numbers	4

Compliance made up to	5
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**PART – II**

- a. Total no of exempted establishments in the office-
- b. Total no. of establishments where compliance audit was conducted-
- c. The establishments where violations of the conditions of exemption were detected

S. No.	1
Name of the Establishment	2
P.F Code Number	3
Date of Compliance Audit	4
Nature of Violations	5
Whether relaxation withdrawn/ proposal for cancellation of exemption submitted to Head Office	6
Remarks	7

Certified that except in the cases mentioned above under point c above, no other establishment was found to have committed significant violations of the conditions of exemption and hence no action (s) prescribed under the Act/scheme at present.

**Regional PF Commissioner/ Officer-in-Charge**

**FORM RM - 4****SUMMARISED INFORMATION REGARDING EXEMPTED ESTABLISHMENTS****Zone.....****PART – I**

f. Details of all the establishments exempted or relaxed under section 17(1) or under para 27A/27/79 (including cases where exemption applications are under process)

S. No.	1
Name of the Establishment	2
Whether exempted u/s 17(1)(a) u/p 27A/27/79 (Mention the Relevant Section or Para only)	3
Exempted Or Relaxed w.e.f	4
If exempted, The notification No. & date, Otherwise, the relaxation order no. & date	5
Whether establishment has a separate code no. for compliance under EPS -95	6
Total no. of Employees exempted (from EPF Scheme, 1952)	7
If Exemption proposal pending with Head Office, give reference number	8

g. Details of exempted establishments that are closed/ under liquidation or where recovery or other actions are stayed by any Court

S. No.	1
Name of the Establishment	2
PF Code No.	3
Whether closed or under liquidation or stay order of any court	4
Amount of dues recoverable	5
Whether relaxation withdrawn/ proposal for cancellation of exemption submitted to Head Office	6

h. Exempted establishments in default:

S. No	1
Name of the Establishment	2



PF code number	3
Exemption u/s 17(1) (a)/Para 27A/para 27	4
Nature of Default	5
Action Taken	6

- i. Exempted establishments (u/p 27A) which have obtained separate PF code nos. for compliance with the RPFC in respect of the unexempted category of employees

S. No.	1
Name of the Exempted Establishment	2
Code Number	3
Exemption u/s 17(1) (a)/Para 27A/para 27	4
Nature of Default	5

- j. Exempted establishments under section 17(1) which have obtained separate code no.(s)/sub-code no.(s) for compliance of contract employees with the RPFC: -

S. No.	1
Name	2
Code Number	3
Sub – Code Numbers	4
Compliance made up to	5

**PART – II**

- d. Total no of exempted establishments in the office-
- e. Total no. of establishments where compliance audit was conducted-
- f. The establishments where violations of the conditions of exemption were detected

S. No.	1
Name of the Establishment	2
P.F Code Number	3
Date of Compliance Audit	4
Nature of Violations	5
Whether relaxation withdrawn/ proposal for cancellation of exemption submitted to Head Office	6
Remarks	7

Certified that except in the cases mentioned above under point c above, no other establishment was found to have committed significant violations of the conditions of exemption and hence no action (s) prescribed under the Act/scheme at present.

**Regional PF Commissioner/ Officer-in-Charge**

**ANNEXURE – C**

<b>Sl. No.</b>	<b>Name &amp; address of the Contractor</b>	<b>PF Code No of Contractors</b>	<b>Total Amount paid as wages by the contractor</b>	<b>No. of employee engaged by contractor</b>	<b>Employers contribution paid by the employer to the contractor</b>	<b>No. of Employees enrolled by the contractor as PF members and employers contribution deposited with EPFO.</b>

4.3 (b) Whether the employer’s share is being reimbursed to :  
such Contractor by the establishments. Please specify the details.

**V CLAIM SETTLEMENTS, ISSUANCE OF ACCOUNTS SLIPS/PASS BOOK/MEMBER GRIEVANCES**

5.1 Whether all claims are settled within the maximum time :  
Frame prescribed by the EPFO (**condition no. 12**)

<b>Sl. No.</b>	<b>Name &amp; PF Account No. of the Member</b>	<b>Date of filing of claim with BoT (in case of repeated filing all dates be mentioned)</b>	<b>Date of settlement of claim</b>	<b>Delay in days</b>

5.2 Whether there is an effective mechanism framed by :

Establishment for redressal of grievances related to Provident Fund. If yes, the details thereof. If not, specify the reasons.

- 5.3 Whether the Loans/Advances to the members have been :  
sanctioned strictly according to the eligibility as delineated in the EPF Trust Rules, approved by the RPFC and no deviation has been made. In case of default, list of such cases may be submitted.

Sl. No.	Name & PF Account No. of Member	Purpose for which Loan/Advance Sanctioned	Anomaly with regard to Trust Rules

- 5.4 Verification of the rejected/returned claims :  
(i) Total number of claims received during the year :  
(ii) Total number of claims settled during the year :  
(iii) Total number of claims returned/rejected. Reasons :  
for return/rejection as verified from records and percentage of return/rejection

- 5.5 Whether the accounts in respect of the employees are :  
Maintained electronically and whether the members have Access to their accounts and are able to see their account Balance from the computer terminals.

**(condition no. 13 & 15)**

- 5.6 Whether the Board of Trustees has issued an annual :  
Statement of accounts or passbook to every employee Within six months of the closed of the financial/  
Accounting year. **(condition no. 14)**

- 5.7 In case if any employee who is already a member of :  
The EPF or the PF of an exempted establishment is employed, whether his accumulations with his previous employer have been transferred and credited into his accounts by his new employer. **(condition no. 4)**
- 5.8 Whether there are cases of Stale Cheque/undelivered :  
cases where no action has been taken by the BoT for re-authorization. If yes, specify the cases.
- 5.9 Whether the platform of the EPF Trust has been used for :  
un-authorized private investments from members. The details of contributions/subscriptions other than deducted from the Salary/Wages of the employees' may be detailed.

Sl. No.	Details of un-authorized investment	Amount Remitted	Name of the remitter member

- 5.10 Whether there are any cases of irregular deduction of :  
advances from the salary of the member. If yes, please specify.

## **VI Rate of Interest:**

- 6.1 Whether interest declared by the Board of Trustees is at :  
par with or higher than the declared by the Central Govt. If not, please specify the source of funding the interest gap by the Trust.
- 6.2 Whether Credit of Interest in the members Account is on :  
Monthly Running Balance.

## **VII Investments**

- 7.1 Whether the Board of Trustees has invested (within 2 :  
years)

Weeks from the date of receipt of the said contributions)  
 The monies of the provident fund as per the directions of  
 The Govt. from time to time. **(condition no. 17)**

Sl. No.	Wage Month	Investible Funds	Date of receipt of funds by the BoT	Date of Investment	Delay in days with reasons

7.2 Total Invested Corpus as on 31<sup>st</sup> March, 20\_\_\_\_ :  
 (Purchase value after the amortization).

7.3 (a) Whether the entire amount received by the BoT :  
 from the establishment on account of EPF Contributions,  
 reduced by obligatory payment made on account of  
 settlement/loan/advances/transfer-out etc. has been  
 invested as per the latest prescribed pattern of  
 investment notified from time to time. In case the  
 Investment Pattern is not adhered to, the deviated  
 amounts liable for surcharge as provided in condition  
 no. 17 of Appendix – A annexed Para 27AA of the EPF  
 Scheme, 1952 may be mentioned. **(condition no. 17)**

Note: Investment pattern notified for EPFO being  
 reflected here subject to final notification for exempted  
 funds. The Table below-shall be suitably modified in  
 accordance with the investment pattern notified by  
 the Government. **(condition no. 17)**

(b) Whether on failure to invest as per the norms, the :  
 Board of Trustees separately and liable to pay  
 surcharge. **(condition no. 17)**

<b>Investment Pattern</b>	<b>% amount invested during the year</b>	<b>Norm</b>	<b>Quantum of Amount deviated</b>	<b>Reasons for deviation, if any</b>	<b>Amount liable for surcharge</b>
1	2	3		4	
Government Securities and Related Investments		Minimum 45% and Upto 65%			
Debt Instruments and Related Investments		Minimum 20% and Upto 45%			
Short-term Debt Instruments and Related Investments		Upto 5%			
Equities and Related Investments		Minimum 5% and Upto 15%			
Asses Backed, Trust Structured and Miscellaneous Investments		Upto 5%			
Total					

7.4 Whether all off market transactions have been made :  
on authorized platform or have been reported to  
authorized platforms. Please give details. If not,  
please give details.

<b>Sl. No.</b>	<b>Nomenclature of Investment</b>	<b>Face Value</b>	<b>Purchase Price</b>	<b>Deal Amount</b>	<b>Deal date as per Deal Note</b>	<b>Reasons as quoted by BoT for not reporting the transaction.</b>	<b>Maximum and minimum Rate of the investment as reported on the platforms</b>

7.5 (a) Whether all the investments made like purchase :  
of securities and bonds have been lodged in the

safe custody of Depository Participants (DP).

**[condition no. 18(d)]**

- (b) Whether there is any mismatch between the statement of holdings issued by the depository and the investment holding as per the balance sheet of the trust. Details of investments not shown by depository by specified. :
- (c) Details of investment in Physical mode which could not be converted into De-Mat mode, due to non-allotment of ISIN number. :

Sl. No.	Nomenclature of Investment	Face Value	Purchase Price	Deal Date	Remarks

- (d) Is there any case of non-delivery of contracted investment instruments/script. Furnish details. :
- 7.6 Total amount retained for obligatory outgoing/ expenses at the end of the financial year. :
- 7.7 Whether the amount retained for obligatory expenses is reasonable and proportionate to the amount required for claim settlement etc. :
- 7.8 Whether DEMAT account has been opened in the name of the Trust through depository participants approved by RBI and Central Govt. in accordance with the instructions. Details of DEMAT account no. and Depository participants. In case of default the details be specified in the format. **[condition no. 18 (a)]** :

Sl. No.	Nomenclature of the Investment	Title holder

- 7.9 Whether the Board of Trustees has maintained a script wise register and has ensured timely realization of :



interest & Maturity proceeds. If there is delay in receipt of maturity proceeds or the interest, the overdue interest and maturity proceeds may be worked out in the format.

**[condition no. 18(b)]**

Sl. No.	Nomenclature of the Investment	Face Value of the Investment	Interest Payment/ Date of maturity	Date of lodging of claim in case of investment in physical form	Date of Receipt of the amount by the BoT	Delay in days	Overdue interest

7.10 Whether the Board of Trustees in order to meet :  
obligatory expenses has prematurely redeemed any investments? If yes, whether prior approval of RPFC obtained. **(condition no. 20)**

7.11 Whether the mutual funds in which the BoT has :  
invested the money are of the prescribed Gilt Funds set up as dedicated funds for investment in Government Securities and approved by the Security and Exchange Board of India.  
(to be revised as per the latest pattern)

Sl. No.	Name of the Mutual Funds Scheme	Type of Fund	Amount Invested	*NAV as on date of Purchase	Option (Growth/ Dividend Reinvestment/ Dividend Payout)	Details of approval of the Fund by SEBI

7.12 Whether the loss/profit on Mutual Fund has been :  
booked on redemption/on the year end or fall/rise in NAV as the case may be.

7.13 Whether all commission, incentive, bonus or other pecuniary rewards given by any financial or other institutions for investments made by the Trust have been credited to its account. Furnish the details.  
**(condition no. 21)**

<b>Nomenclature of Investment</b>	<b>Nature of incentive (Commission/bonus/pecuniary Reward)</b>	<b>Amount</b>	<b>Date of credit in the BoT Accounts</b>

7.14 Whether the surplus income earned is being used only for the benefit of the members.

7.15 Has TDS been deducted on interest/maturity payments on any of the investments made by the Trust so far? If yes, amount and whether it has been refunded by IT? Balance amount be mentioned.

<b>Sl. No.</b>	<b>Assessment Year</b>	<b>Investment nomenclature</b>	<b>TDS amount</b>	<b>TDS Certificate Details</b>	<b>Details of claim filed by BoT for Refund.</b>

## **VIII Audit of Accounts**

8.1 Whether the accounts of the provident fund as maintained by the Board of Trustees are audited annually by a qualified independent Chartered Accountant. **(condition no. 24)**

8.2 The date of submission of a copy of the auditors' report along with the audited balance sheet to the RPFC concerned. **(condition no. 24)**

8.3 Whether it is ensured that the same auditors are not

appointed for the two consecutive years and for not more than two years in a block of six years.

**(condition no. 24)**

8.4 (a) Whether the Company has reported loss for three consecutive financial years or erosion in the capital base thereby invoking condition No. 25 of Appendix-A annexed to Para 27AA of the EPF Scheme, 1952. :

**(condition no. 25)**

(b) Whether the establishment is registered with BIFR :

8.5 Whether any loss has been caused to the provident fund. **(condition no. 6 & 28)** :

8.6 In case of losses to the BoT on account of defalcation, overpayment, wrong/fraudulent payment, wrong investment decision etc. whether it has been made good by the employer and not from the reserve/surplus of the EPF Trust. (In case of defalcation/fraudulent payment modus operandi to be detailed. :

**(condition no. 28)**

<b>Particulars of losses</b>	<b>Year Ended 31/03/20__</b>	<b>Previous Year ended 31/03/20__</b>
Loss on account of Junk investment (No interest and Maturity received)		
Capital Loss on premature encashment of investment for obligatory expenses		
Fraudulent/Overpayment/Embezzlement/Defalcation		
Interest Due but not received		
Others (Please specify)		

8.7 Complete details of the loss made good/recouped by the establishment including amount, Cheque/D.D. no. and date of credit in the trust account. :

**(condition no. 28)**

- 8.8 Details of losses, if any, written off by the Board of Trustees. **(condition no. 28)** :
- 8.9 Whether all the expenses of the administration of the provident fund have been borne by the employer. Furnish the details. **(condition no. 6)** :
- 8.10 Whether there are any un-recorded amounts. If yes, please specify. :
- 8.11 A special note to be given on treatment of investment whether it is marked to market or amortised or booked on face value. In case marked to market: :
- (i) Value of assets on M to M bases :
- (ii) Value of assets on purchase price (amortized) :
- (iii) Difference as on 31<sup>st</sup> March \_\_\_\_\_ :
- 8.12 In case the Investment is booked at Cost and premium is amortized, the amount yet to be amortized as on year ending is Rs. \_\_\_\_\_.

## **IX International Workers**

- 9.1 Whether appropriate amendment has been made in the PF rules in regard to International workers. :
- 9.2 Whether compliance in respect of foreign passport holders is being made on full wages. :
- 9.3 Details of COC obtained (outward) cases and compliance thereof in the PF Trust. :
- 9.4 Details of COC exempted (inward) cases. :
- 9.5 Details of COC overstayed cases, if any, and action thereof. :
- 9.6 Details of settlement of claims under the special provision, if any. :

## **X Others**

- 10.1 Whether any amendment of the rules has been made by the employer without the prior approval of the RPFC. :
- 10.2 Whether there is any unclaimed or amount lying in forfeiture account PF amount with the trust? If yes, the :

details thereof.

- 10.3 Number of disabled workers, PF contribution (Employees :  
share remitted to the Trust and Government Contribution  
as per Para 82 of the Statutory Scheme).

**It is certified that the above information has been verified from relevant original records and is an accurate reflection of the Financial and Compliance position of the Establishment and Exempted Trust.**

**(SIGNATURES, NAME & SEAL OF THE AUDITOR)**

## 8.3 Forms used in SOP of Cancellation of Exemption

Sl. No	FORM	Description
1.	FORM CE-1	Show-cause Notice to be issued by the Regional Office
2.	FORM CE-1(R)	Format for relaxation/withdrawal.
3.	FORM CE-2	Draft agenda by Regional Office for placement before the EEC along with the document checklist
4.	FORM CE-3	Draft Show-cause Notice to be issued by the Appropriate Government
5.	FORM CE-4	Zonal Office communication to be forwarded to the Head Office regarding proposal of Regional Office
6.	FORM CE-5	Zonal Office communication to be forwarded to the Head Office regarding proposal of Regional Office
7.	FORM CE-6	Priority Matrix indicated in Para 12 of this SOP
8.	FORM CE-7	Consolidated Report to be sent to ZO by RO
9.	FORM CE-8	Consolidated Report to be sent to HO by ZO
10.	FORM CE-9	Withdrawal of exemption under Condition No. 25
11.	FORM CE-10	Withdrawal of exemption under Condition No. 25
12.	FORM CE-11	RPFC's directions to the exempted Trust's Depository participants to transfer the investment corpus of the Trust to CBT

**FORM CE - 1**

**(Show-cause Notice)**

**(Under Appendix” A” of Para 27AA of the EPF Scheme,1952)**

Whereas the establishment ..... was granted exemption under Section 17(1)(a) by the ..... being the Appropriate Government vide Notification No. ....

Whereas the revised conditions of the exemption indicated in Appendix-A of the Scheme are applicable to all exempted establishments vide GSR 853(E) with effect from. 30.10.2003.

Whereas compliance audit of the establishment conducted on ..... detected the following violations of the revised conditions of exemption: -

- (i) ..... (Condition No....); Category
  - (ii) ..... (Condition No....); Category
- & so on.

Now therefore, the employer and the Board of Trustees (BOT) are directed to show cause within 15 days from the receipt of this notice as to why a report be not sent to the appropriate Government; as regards violations of the conditions of exemption delineated under Appendix” A” of Para 27AA of the EPF Scheme,1952 for necessary action.

(.....)

**Name of the RPFC**

**Date:** (.....)

**To,**

**1) The Employer (.....)**

**2) Chairman Board of Trustees (.....)**

**FORM C.E. 1-R**  
**(Withdrawal of Relaxation)**  
**(Show-cause Notice)**

Whereas the establishment ..... was granted relaxation under Para 79 by the ..... vide Notification No. ....

Whereas the revised conditions of the exemption indicated in Appendix-A of the Scheme is applicable to all exempted establishments vide GSR 853(E) with effect from. 30.10.2003.

Whereas a compliance audit of the establishment conducted on ..... Detected the following violations of the revised conditions of exemption: -

- (iii) ..... (Condition No....); Category
- (iv) ..... (Condition No....); Category
- & so on.

Now therefore, the relaxation granted to the establishment under Para 79 of the Scheme is withdrawn and the employer and the Board of Trustees (BOT) are directed to comply with the provisions of section 17(5) of the EPF Act read with Para 28 of EPF Scheme.

(.....)  
**Name of the RPFC**

**Date:** (.....)

**To,**

**1) The Employer (.....)**

**2) Chairman Board of Trustees (.....)**



**FORM C.E - 2**

**Draft Agenda to be placed before the EEC by Regional Office**

Item No... Cancellation of Exemption under section 17(1)(a) of the EPF & MP Act, 1952 / Para 27A of EPF Act (As applicable) in respect of \_\_Establishment name\_\_ (\_\_code number\_\_)

The cancellation of exemption is governed by Section 17(4) of the Employees' Provident Funds & Miscellaneous Provisions Act, 1952. The cancellation of exemption is proposed for failure to adhere to the conditions imposed while grant of exemption by the Appropriate Government.

*Section 17(4) of the Employees' Provident Funds & Miscellaneous Provisions Act, 1952, is reproduced below:*

*(4) Any exemption granted under this section may be cancelled by the authority which granted it, by order in writing, if an employer fails to comply, -*

*(a) in the case of an exemption granted under sub-section (1), with any of the conditions imposed under that sub-section 15 or sub-section (1A) or with any of the provisions of sub-section (3);*

*(aa) in the case of an exemption granted under sub-section (1C), with any of the conditions imposed under that sub-section; and]*

*(b) in the case of an exemption granted under sub-section (2), with any of the provisions of sub-section (3);*

*(c) in the case of an exemption granted under sub-section (2A), with any of the conditions imposed under that sub-section or with any of the provisions of sub-section (3A);*

*(d) in the case of an exemption granted under sub-section (2B), with any of the provisions of sub-section (3A).*

**Brief Introduction:**

M/s. .... bearing code no ..... was granted exemption under Section ..... of EPF & MP Act, 1952 vide notification No. .... dated ..... The establishment has a Provident Fund Trust in the name of “.....”. The corpus of the Trust as per balance sheet as on \_\_\_\_\_ was Rs. \_\_\_\_\_ for .....number of members.

The cancellation of exemption is proposed because of violation of various conditions of Appendix-A to Para 27AA of the EPF Scheme, 1952 noticed through..... (Compliance Audit Reports etc.). The establishment has been given opportunities to show cause by way of show cause notices dated .....in line with Condition No. 27 of Appendix “A” OF Para 27AA of the Scheme. However, the reply is unsatisfactory.

**2. Details of the establishment:**

<b>Sl. No</b>	<b>Name of the Establishment</b>	
1.	Code No.	
2.	RPFC/RO	
3.	Zonal Office	
4.	Name of the Trust	
5.	Exemption Notification details	
6.	Appropriate Government	
7.	Date of Exemption	
8.	Date of last constitution of trust	
9.	Statutory Provision empowering cancellation	
10.	Working/Closed establishment	
11.	Number of reported EPF/EDLI members	
12.	Reported Corpus as on	
13.	Contribution received up to	
14.	Rate of interest for last three years (This is at Par with EPFO declared rates)	
15.	Compliance Audit Completed up to	
16.	Third-Party Audit conducted up to	

17.	Date from which the cancellation is sought	
-----	--	--

3. Violations reported/submissions of establishment/views of EPFO are as below:

Condition No.	Deviations	Show Cause Notice date	Establishment's reply	Jurisdictional RPFC views	Zonal Office views

**4.1. Third-Party Audit Report of FY 20xx-xx dated \_\_\_\_\_ (Annexure - H):**

- i. Corpus of the Trust as on \_\_\_\_\_ was Rs. \_\_\_\_\_
- ii. RPFC has certified that the financial health of the establishment is good and no liability is likely to arise on EPFO currently, on account of cancellation of exemption. **(Annexure - D)**

**4.2. Observations on Compliance of establishment:**

.....  
 .....  
 .....  
 .....  
 .....  
 .....  
 .....

Compliance Audit Report for last three years:

- Year 1:

Total invested corpus was \_\_\_\_\_ with employment strength of \_\_\_\_\_ (PF Subscribers: \_\_\_\_\_, EPS members: \_\_\_\_\_).

- Year 2:

Total invested corpus was Rs. \_\_\_\_\_ with the employment strength of \_\_\_\_\_ (PF Subscribers: \_\_\_\_\_, EPS members: \_\_\_\_\_).

- Year 3:

Total invested corpus was Rs. \_\_\_\_\_ with the employment strength of \_\_\_\_\_ (PF Subscribers: \_\_\_\_\_, EPS members: \_\_\_\_\_).

## **5. Actions taken to arrest violations and secure worker's entitlements**

**Briefly state the proactive actions taken by EPFO:**

.....  
.....  
.....  
.....  
.....  
.....  
.....

## **6. Case for the suitability of cancellation**

The proposal has been examined in the light of statutory provisions and administrative Circulars on cancellation and is found to be a fit case to be placed before the committee on Exempted Establishments for its recommendation for cancellation of exemption.

Violations in condition No. \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_ enunciated in Appendix-A to Para 27AA of EPF Scheme 1952, have come to notice.

The establishment was given an opportunity for rectifications vide communications dated \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_. The response/replies of the establishment are found to be unsatisfactory. Following specific violations continue against the scheme provisions and the conditions of grant of exemptions. Hence, the recommendation for cancellation of exemption to be placed before the EEC.

- 1.
- 2.
- 3.

**7. Court case / Liquidation matter if any.**

**Recommendation:**

.....  
.....  
.....

**8.** The proposal of cancellation of exemption if considered appropriate shall be forwarded to the Appropriate Government along with the following documents:

- i. Proposal for cancellation in specified format. (**Annexure-A**)
  - ii. Copy of notification granting exemption. (**Annexure-B**)
  - iii. Copy of Draft Show Cause Notice. (**Annexure-C**)
  - iv. Report of Jurisdictional RPFC regarding Financial Health of the Trust. (**Annexure-D**)
  - v. Report of Jurisdictional RPFC regarding compliance status of the establishment. (**Annexure - E**)
  - vi. Report of Third Party Auditor ascertaining the financial health of the Trust (**Annexure – F**)
  - vii. Copy of Third-Party Audit for FY 20xx-xx (**Annexure-H**)
  - viii. Copy of Compliance audit report for 20xx-xx and 20xx-xx. (**Annexure-I**)
  - ix. Draft notification for cancellation. (**Annexure-J**)
  - x. Information as per Draft Template of MoL & E for Surrender/Cancellation of exemption granted under Para 27A/Section 17(1)(a) of the EPF & MP Act, 1952. (**Annexure-K**)
  - xi. Online return for the month of \_\_\_\_ 20xx (**Annexure-L**)
  - xii. Show cause Notice dated \_\_\_\_\_ issued to establishment. (**Annexure-M**)
  - xiii. Establishment reply to notice dated \_\_\_\_\_ (**Annexure-N**)
9. Justification about non availability of any prescribed document.

.....  
.....  
.....

**Proposal:** The proposal for cancellation of exemption granted u/s ..... of the EPF & MP Act, 1952 in respect of \_\_\_\_\_, by the Government of \_\_\_\_\_ vide notification no. \_\_\_\_\_ dated \_\_\_\_\_ is placed before the Committee for Exempted Establishments for consideration being the Appropriate Government. The recommendation / observation shall be further placed before the Central Board of Trustees, for consideration.

### **A CHECKLIST OF RELEVANT DOCUMENTS TO BE ENCLOSED**

#### **Checklist of supporting documents:**

- i.** Original notification granting exemption.

*(Note: a. where notification for grant of exemption is available either at the Regional Office or at the exempted establishment/Trust, the copy of such notification may be provided.*

*b. Where the copy of the original notification is also not available, however, order number of the grant of exemption, efforts should be made to obtain the copy of the order from the appropriate government.*

*c. Where the original grant of the exemption is also not available at the appropriate government, Jurisdictional RPFC shall withdraw the relaxation granted earlier and facilitate the transfer of funds.)*

- ii.** Copy of the relaxation withdrawal order if any.

- iii.** Report of Jurisdictional RPFC regarding financial health of the Trust. The template is as below:

On the basis of the online ECR reports, this is to certify that monthly EPF compliance in respect of the establishment M/s. \_\_\_\_\_ (code number \_\_\_\_\_) is received up to \_\_\_\_\_. Damages & Interest have been levied up to \_\_\_\_\_ as applicable and the levied dues collected.

The pension fund contributions as well as Administrative Charges contribution of the trust received up to \_\_\_\_\_. Further, it is also certified by the Third Party Auditor that there is no liability likely to arise on EPFO.

Further, the losses if any incurred by the Trust, have been liquidated by the establishment. This certificate is issued without prejudice to any 7A (for evasion of membership) or 14B proceedings for levy of damages/FIR/Prosecution instituted against the establishment as well as any hidden losses not detected by compliance

Audit/Third Party Auditors as such proceedings can continue even after cancellation of the exemption.

(RPFC-I/OIC)

**iv. Draft Notification for cancellation:**

**NOTIFICATION**

Whereas M/s. \_\_\_\_\_ bearing code No. \_\_\_\_\_ in \_\_\_\_\_ Region has applied for surrender of exemption granted by the \_\_\_\_\_ Government under clause (a) of sub-section (1) of section 17 of the Employees Provident Funds and Miscellaneous Provisions Act, 1952 (19 of 1952) (hereinafter referred to as the Act) / Para 27A of the EPF Scheme, 1952 (hereinafter referred to as the Scheme) (as applicable).

2. Whereas a notification bearing No. G.O. \_\_\_\_\_ dated \_\_\_\_\_ granting exemption to the said establishment under clause (a) of sub-section (1) of section 17 of the said Act / Para 27A of the said Scheme w.e.f. \_\_\_\_\_

3. And whereas now it has come to the notice to the \_\_\_\_\_ Government that the establishment has found violating conditions of Exemption under the provisions of EPF & MP Act 1952 and EPF Scheme, 1952.

4. Now, therefore, in exercise of the powers conferred by sub-section (4) of section 17 of the said Act, the \_\_\_\_\_ Government hereby cancels the exemption granted to the said establishment with effect from \_\_\_\_\_

(\_\_\_\_\_)

Secretary to the Government

**v. Documents through which the alleged deviations/violations can be supported:**

a. Copy of third-party audit report (From the proposed date of cancellation to the preceding month of the submission of cancellation proposal by Regional Office)

If cancellation is proposed to be from prospective date, then third party audit of one-year period prior to the month of forwarding the cancellation proposal to Zonal office by Regional office is to be enclosed.)

*(Note: Where the third party audit can't be completed, e.g., closed establishment /establishments under liquidation /establishment/ Trust under seizure by any other law-enforcing authority or by wilful non- cooperation by the employer/Trustees, the RPFC shall proceed with the cancellation without it, subject to the condition that the same shall be mandatorily required to be conducted by Jurisdictional RPFC at the time of transfer of past accumulations/corpus post-decision by the appropriate government. The fee of the audit shall be borne by the employer/establishment as per the conditions of exemption.)*

- b. Compliance audit for the last three years from the date of proposed cancellation, date of closure, date of liquidation.
- c. Documents related to closure/liquidation/change of legal status.
- d. Legal opinion, wherever applicable/necessary.
- e. Details of deviations of investment along with the status of recovery of surcharge, if any.
- f. Details of non-filing of online returns and non-obtaining the requisite marks in the ranking system, if such violations are also among the cause for cancellation/non-renewal.
- g. Order by the appropriate government/any other law-enforcing agencies, if any.
- h. Documentary evidence in support of non-eligibility for exemption/renewal.

In case of any difficulty arising in the completion of documentary evidence in respect of any exempted establishment as per the aforementioned list and notes therein, the proposal for cancellation should be forwarded along with the recommendations of the Zonal ACC as well as RPFC for seeking relaxation of the circular provisions by the CPFC/EEC on a case-to-case basis.



## Annexure – A (Proposal of cancellation of Exemption)

Proposal for Cancellation of Exemption in respect of \_\_\_\_\_-Regarding.

i)	Name of the applicant Establishment	:	
ii)	P.F Code No.	:	
iii)	Address of the establishment	:	
iv)	a) Name of the PF Trust	:	
	b) Single PF Trust or Common PF Trust?	:	
	c) If common PF Trust, Details (Name, Code No., etc. of the Principal Establishment holding the PF Trust)?	:	
v)	Address of the PF Trust	:	
vi)	Kind of Exemption (Under Section 17(1)(a)/Para 27A)	:	
vii)	Date of Grant of Exemption	:	
viii)	Notification No. and Date	:	
ix)	Appropriate Govt.	:	
x)	Case of cancellation or surrender of Exemption?	:	
xi)	In case of Cancellation of Exemption		
	a) Draft Show Cause Notice	:	
	b) Condition or Provisions of the Act and Schemes Violated	:	
	c) Copy of Notification/ Order granting exemption	:	
	d) Copy of Third Party Audit Report. It will not restrain Regional P.F. Commissioner from taking over the Trust Fund and facilitating compliance of the establishment as an un-exempted establishment.	:	

	e) Report of RPFC regarding Compliance status	:	
	f) Assessment of the RPFC regarding financial health of the Trust. Liability of EPFO in such cases will be limited to the extent of fund received from the Trust and loss, if any, incurred by the Trust will be got recouped/ recovered by/from the employer.	:	

II. Any other Fact (s) having bearing on the processing of proposal for cancellation of exemption.

**RPFC Certificate (Annexure E)**

(Regarding up-to-date compliance status)

1.	Name of the establishment	
2.	Name of the Board of Trustees (BOT)	
3.	PF contributions paid up to	
4.	PF contributions in default for the Periods	
5.	Dues Assessed, if Any	
6.	Balance sheets of the establishment audited up to	
7.	Balance sheets of the BOT audited up to	
8.	Statement of Annual Accounts issued to members up to	
9.	Periodic Returns submitted up to	
10.	Amounts in Default, in any	
11.	Any loss or Deficit suffered by the BOT	
12.	The loss/Deficit made Good by the establishment	
13.	Action Taken	_____

**(RPFC/OIC)**

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**Third Party Audit Certificate (Annexure-F)**

On the basis of Third Party Audit conducted into the books of accounts of the \_\_\_\_\_ - Trust, which was formed due to exemption granted to establishment, M/s. \_\_\_\_\_ (Code No. \_\_\_\_\_), this is to certify that the financial health of the trust is sound and is sufficient to balance the liability arising out of the subscribers, members and accounts maintained by the said trust and no liability will occur to Employees Provident Fund Organisation on account to the intended cancellation of Exemption.

() **Chartered Accountant**  
**Office** \_\_\_\_\_

**Date:** \_\_\_\_\_

**(Annexure – K)**

**Draft Template for Surrender/Cancellation of Exemption granted under Para 27A/17(1)(a) of the EPF & MP Act, 1952 (Template as per MoL&E letter No. S-35017/3/2018-SS. II dated 18.09.2018)**

<b>S No</b>	<b>Subject</b>	<b>Status</b>	<b>Remarks</b>
1.	Name and code of the establishment		
2.	Date of Grant of exemption to the establishment and under which section/Para the exemption was granted (i)Whether under Section 17 of the EPF & MP Act, 1952; or (ii)Whether under Para 27 of EPF Scheme, 1952		
3.	Date on which the establishment has started as an un-exempted establishment.		
4.	Date of application of Surrender/Cancellation of exemption by the establishment.		
5.	Date from which Surrender/Cancellation of exemption has been sought?		
	(a)Grounds for Surrender/Cancellation of exemption.		
6.	Whether the establishment followed all the conditions of exemption as specified in Para 27AA of the EPF Scheme, 1952 and pattern of investment as notified from time to time, (i)If no, details thereof (Clearly mention the condition/violation) (ii)Action taken against such violations. (iii)Whether, certificate in this regard has been submitted by the concerned		

<b>S No</b>	<b>Subject</b>	<b>Status</b>	<b>Remarks</b>
	competent authority (also enclose a copy) and details thereof.		
7.	<p>Categorization of investment as per pattern of investment (during the period of exemption)</p> <p>(i)Government Securities and Related Investments</p> <p>(ii)Debt Instruments and Related Investments.</p> <p>(iii)Short-term Debt Instruments and Related Investments</p> <p>(iv)Equities and Related Investments</p> <p>(v)Asset Backed, Trust Structured and Miscellaneous Investments.</p>		
8.	<p>Whether the establishment has transferred all the past accumulations as per Para 28 of the EPF Scheme, 1952 along with Past accumulations statement and compliance as an un-exempted establishment,</p> <p>(a)If yes, details thereof (Category wise, Amount and date)</p> <p>(i) Government Securities and Related Investments</p> <p>(ii) Debt instruments and Related Investments</p> <p>(iii)Short-term Debt Instruments and Related Investments</p> <p>(iv) Equities and Related Investments</p> <p>(v) Asset Backed, Trust Structured and Miscellaneous Investments</p>		

<b>S No</b>	<b>Subject</b>	<b>Status</b>	<b>Remarks</b>
	(b) If Not, details thereof and reason therefor.		
9	Whether the annual statement of accounts or pass books issued to every employee within six months of the close of financial/accounting year free of cost once in the year		
10.	The amount of interest paid by the establishment to its employees on the PF accumulations during the last three years: (i)First year (ii)Second year (iii)Third year		
11.	(i)Whether the rate of interest paid during the last three years was less than the interest decided by EPFO. (ii) If yes, the reason thereof.		
12.	(i) Whether there is amendment to the rules of the establishment during the period of such exemption? (ii)If yes, whether prior approval of the RPFC was obtained?		
13.	Whether the establishment is regular in filing various monthly and annual returns prescribed by EPFO?		
14.	Whether there is any change of legal status of the establishment after grant of relaxation?		
15.	Whether the establishment is regular in		

<b>S No</b>	<b>Subject</b>	<b>Status</b>	<b>Remarks</b>
	submission of Audited Balance Sheet along with the Auditor's report		

**Encl: Docs as per checklist.**

**Dated:  
Office)**

**RPFC-I/OIC (Regional**



**FORM C.E - 3**

**(For the appropriate Government)**

Whereas M/s. \_\_\_\_\_ bearing code no. \_\_\_\_\_ is an establishment to which exemption has been granted w.e.f. \_\_\_\_\_ vide Notification No. \_\_\_\_\_ dated \_\_\_\_\_ under section 17(1)(a) of the Employees' Provident Fund and Miscellaneous Provisions Act, 1952/under Para 27A of The Employees Provident Fund Scheme, 1952 and is maintaining its own PF Trust.

And, whereas on examining the Annual Compliance Audit Report/Balance Sheet & other documents/records of the establishment, it has come to the notice that the establishment has reported following violation of conditions as per Appendix "A" under Para 27AA of revised conditions for grant of exemption of the EPF Scheme, 1952:

<b>Sl. No.</b>	<b>Description</b>	<b>Violation of conditions</b>
1.		

Now the Managing Director, being the person responsible for the conduct of business of the establishment and also responsible for compliance of the provision of EPF & MP Act, 1952 and Schemes framed there under and being an employer covered within the definition of employer as defined under Section 2(e) of the Act, is hereby directed to Show cause as to why the exemption granted under u/s 17(1)(a) of the Employees Provident Fund and Miscellaneous Provisions Act, 1952/ under Para 27A of The Employees Provident Fund Scheme, 1952 may not be withdrawn and the establishment may not be directed to comply as an un-exempted establishment, for violation of above mentioned conditions. The reply should be submitted within 15 days of receipt of this letter, failing which it would be presumed that you have nothing to submit in this matter and cancellation order shall be issued without any further intimation/reminder.

( )  
**Appropriate Government**

To

(1) The Employer

(2) The Board of Trustees

**FORM C.E - 4**

**Recommendation to be forwarded by the concerned Zonal Office**

**Item No. \_\_: Surrender/Cancellation of Exemption under Section 17(1)(a) of the EPF & MP Act, 1952/Para 27A of the EPF Scheme, 1952 in respect of \_\_ code No. \_\_.**

The draft template of agenda regarding proposal for cancellation of exemption in respect M/s. \_\_\_\_\_, Code No. (\_\_\_\_\_) has been received from RPFC-1, RO-\_\_\_\_\_ vide letter No. \_\_\_\_\_ Dated \_\_\_\_\_.

The complete proposal along with the supporting documents has been examined in light of the statutory provisions and is recommended for placing before the Committee on Exempted Establishments for consideration of cancellation of previously granted exemption and the same is being forwarded to Head Office.

**(ACC/ACC (HQ))**

**Zone**\_\_\_\_\_

**Date**\_\_\_\_\_

**FORM C.E - 5**

**(For H.O)**

To,

The Appropriate Government,

Add: .....

**Sub: Cancellation of Exemption under Section 17(4) of the EPF & MP Act, 1952  
in respect of .....- Reg.**

Madam/Sir,

The establishment ..... bearing code no. .... is an establishment covered under Employees' Provident Fund and Miscellaneous Provisions Act 1952. The Establishment was granted Exemption under Section 17(1)(a) by the ..... being the Appropriate Government vide Notification No. ....

2. During the Compliance and Third-party inspection, Regional Provident Fund Commissioner, RO ..... noticed violation of Condition(s) No. .... as enunciated in Appendix-A to Para 27AA of the EPF Scheme, 1952. Show cause notice was accordingly issued vide letter dated: .....

3. The establishment has failed to reply to the Show-cause notice/The reply of the establishment to the Show-cause notice was not found satisfactory. Accordingly, Jurisdictional Regional P.F. Commissioner, RO ..... vide letter dated: .....and Zonal Additional Central Provident Fund Commissioner, ZO..... vide letter dated: ..... proposed cancellation of Exemption granted to the Establishment.

4. The proposal for cancellation of exemption was placed before the Exempted Establishments' Committee of the Central Board, in their .....<sup>th</sup> meeting held on ..... and subsequently before the .....<sup>th</sup> meeting of the Central Board of Trustees, held on .....

5. The Central Board of Trustees, has recommended the cancellation proposal in respect of the establishment ..... under section 17(4) of EPF & MP Act, 1952.

6. In this context, please find the following documents for perusal and consideration for an order regarding cancellation of exemption in respect of the establishment ..... under Section 17(4) of EPF & MP Act, 1952: -

(i).....

(ii)..... & so on.

7. A copy of the formal order may kindly be sent for updating our records and for ensuring compliance under Section 17(5) of the Act read with Para 28 of the EPF Scheme.

Yours faithfully,

**Encl:** As above

**(Name.....)**

**Addl. Central P.F. Commissioner (Exemption)**

**FORM C.E - 6**

**(Priority Matrix)**

For Category A: Immediate actions to be taken for cancellation of exemption by issuance of a Show Cause Notice.

For Category B: Establishment may be directed to rectify the deficiency. If the same is not met, cancellation process to be initiated. If violation is being done on 2 consecutive occasions without rectification, then cancellation process to be initiated.

For Category C: Establishment may be advised to be vigilant in the matter in future. If violation is being done on 3 consecutive occasions without rectification, then cancellation process to be initiated.

<b>Sl. No.</b>	<b>Conditions</b>	<b>Category A</b>	<b>Category B</b>	<b>Category C</b>	<b>Source Document and Frequency</b>
1.	The establishment has reported a loss for the three consecutive financial years or erosion in their capital base. <b>(Condition 25)</b>	A			Compliance audit; Annual
2.	Losses occurred to the P.F. Trust have not been recouped by the employer/establishment. <b>(Condition 28)</b>	A			Compliance audit; Annual
3.	Default in payment of P.F. & allied dues. <b>(Condition 05)</b>	A			Online ranking; Monthly

Sl. No.	Conditions	Category A	Category B	Category C	Source Document and Frequency
4.	Evasion in membership of all category of employees as defined in Section 2(f). <b>(Condition 03)</b>	A			Compliance audit; Annual
5.	(a) The Trust has not ensured audit of the accounts of the Provident Fund  (b) The audited balance sheet is not submitted to the Jurisdictional RPFCA by the Auditors directly within six months after the closing of the financial year from 1st April to 31st March. or  (c) Same auditors have been appointed for two consecutive years and more than two years in a block of six years. <b>(Condition 24)</b>	A			Annual responsibility to submit on Establishment, Annual

Sl. No.	Conditions	Category A	Category B	Category C	Source Document and Frequency
6.	Legal status of the establishment has changed due to merger, demerger, acquisition, sale amalgamation, formation of a subsidiary, whether wholly owned or not, etc., <b>(Condition 29)</b>	A			Compliance Audit, Annual. In addition, If RPFC is intimated about the same.
7.	The securities are not obtained in the name of Trust or DEMAT account has NOT been opened in the name of the Trust for transacting in securities. <b>(Condition 18)</b>	A			Compliance audit, Annual
8.	The establishment failed to file online monthly returns for consecutive 03 months	A			Online returns, Monthly
9.	The establishment failed to score a minimum of 300 marks out of 600 for consecutive 03	A			Online ranking, Monthly

Sl. No.	Conditions	Category A	Category B	Category C	Source Document and Frequency
10	The Board of Trustees failed to file not follow the investment pattern as per the directions of the government from time to time for three consecutive years.	A			Compliance Audit, Annual
11	The employer failed to file bear all the expenses of the administration of the Provident Fund and also did not make good the loss caused to the Provident Fund due to theft, burglary, defalcation, misappropriation or any other reason.	A			<b>Compliance Audit, Annual</b>
12	Board of Trustees is not established by employer or is not in accordance with as per the existing guidelines.	A			Compliance Audit, Annual
13	The employer has not made good the deficiency in the interest declared by the Board of Trustees to bring it up to the statutory limit.	A			Compliance Audit, Annual



Sl. No.	Conditions	Category A	Category B	Category C	Source Document and Frequency
14	The rate of contribution payable, the conditions and quantum of advances and other matters is lower than those declared by the Central Government.	A			Compliance Audit, Annual
15	The Trust rules have not been amended as per the amendment in the Scheme which is more beneficial to the employees.		B		Compliance Audit, Annual
16	The Trues Rules have been amended without prior approval of the Jurisdictional RPFC.	A			Compliance Audit, Annual
17	All claims for withdrawals, advance and transfer are not settled within the maximum time frame as prescribed by the EPFO.	A			Compliance Audit, Annual

Sl. No.	Conditions	Category A	Category B	Category C	Source Document and Frequency
18	The exempted establishment failed to intimate the Jurisdictional RPFC regarding the details of depository participants (approved by the Reserve Bank of India and Central Government), with whom and in whose safe custody, the investments made in the name of Trust, viz., Investments made in securities, bonds, etc. have been lodged. Further, the Board of Trustees kept high amount of money for meeting obligatory expenses.	A			Compliance Audit, Annual
19	The Board of Trustees has failed to hold a meeting at least once in every three months.		B		Responsibility of the BoT to send MoM to RPFC every 3 months. , Quarterly

<b>Sl. No.</b>	<b>Conditions</b>	<b>Category A</b>	<b>Category B</b>	<b>Category C</b>	<b>Source Document and Frequency</b>
20	Previous accumulation of the Employee is not transferred and credited to his account.		B		Compliance Audit, Annual
21	The Board of Trustees failed to maintain the detailed accounts showing the contribution credited withdrawal and interest in respect of each employee.		B		Compliance Audit, Annual
22	The Board of Trustees and the employer failed to file monthly/annually returns.		B		Online returns, Monthly/Annual
23	Default committed by any of the Trustees/employer of any of the participating units		B		Compliance Audit, Annual
24	The employer failed to pay inspection charges as prescribed by the Central Government from time to time within 15 days from the close of every month.		B		ECR filing, monthly, compliance action to be taken by the jurisdictional RPFC.

Sl. No.	Conditions	Category A	Category B	Category C	Source Document and Frequency
25	The employer or the Board of Trustees have not submitted written undertaking to abide by the conditions of grant of exemption.		B		<b>Compliance Audit, Annual</b>
26	All such investments made, like purchase of securities and bonds, is not lodged in the safe custody of depository participants.		B		Compliance Audit, Annual
27	The Trust has not credited the commission, incentive, bonus, or other pecuniary rewards to the account of BOT.		B		Compliance Audit, Annual

<b>Sl. No.</b>	<b>Conditions</b>	<b>Category A</b>	<b>Category B</b>	<b>Category C</b>	<b>Source Document and Frequency</b>
28	The employer and the members of the Board of Trustees, at the time of grant of exemption, has not furnished a written undertaking to the RPFC in such format as may be prescribed from time to time, inter alia, agreeing to abide by the conditions which are specified and this shall be legally binding on the employer and Board of Trustees, including their successors and assignees, or such conditions as may be specified latter for continuation of exemption.		B		<b>Compliance Audit, Annual</b>
29	The employer did not display the copy of the approved Trust rules on the notice board of the establishment along with a translation in the language of the majority of employees.			C	Compliance Audit, Annual

<b>Sl. No.</b>	<b>Conditions</b>	<b>Category A</b>	<b>Category B</b>	<b>Category C</b>	<b>Source Document and Frequency</b>
30	The Board of Trustees did not issue annual statement of accounts or passbooks to every employee within six months of the close of financial/accounting year free of cost once in the year.			C	Compliance Audit, Annual
31	The employer did not make necessary provisions to enable all the members to be able to see their account balance from the computer terminals.			C	Compliance Audit, Annual

**FORM C.E - 7**

**Consolidated report in respect of cancellations by Regional Office to Zonal Office by 5<sup>th</sup> of every month:**

<b>Number of proposals in Pipeline (Opening Balance) (A)</b>	<b>Number of proposals forwarded to Zonal Office during the month (B)</b>	<b>Number of Proposals remanded back by Zonal office (C)</b>	<b>Closing Balance (A-B+C)</b>

**FORM CE - 8**

Consolidated report in respect of cancellations by Zonal Office to Head Office by 10<sup>th</sup> of every month:

<b>Number of proposals in Pipeline (Opening Balance) (A)</b>	<b>Number of proposals forwarded to Head Office during the month (B)</b>	<b>Number of Proposals remanded back by Head office (C)</b>	<b>Closing Balance (A-B+C)#</b>



**FORM CE - 9**

**Notice of Withdrawal of Exemption  
(Under Condition no. 25; of Appendix “A” of Para 27AA of the Scheme)**

Whereas M/s. \_\_\_\_\_ bearing code no. \_\_\_\_\_ was notified under Section 17(1)/17(2) of the EPF & MP Act, 1952/ vide notification no. \_\_\_\_\_ dated \_\_\_\_\_.

Whereas from a perusal of the Annual Report of the establishment for the financial year \_\_\_\_\_ to \_\_\_\_\_ it is evident that the establishment has suffered losses for 3 consecutive years/suffered an erosion in its capital base.

Whereas the Condition no.25 of the Conditions of Exemption (Appendix “A” of Para 27AA of the EPF Scheme, 1952) reads as follows

*“A company reporting loss for three consecutive financial years or erosion in their capital base shall have their exemption withdrawn from the first day of the next/succeeding financial year”.*

In view of the aforementioned clause, it is proposed to withdraw the exemption granted to your establishment w.e.f. 01/04. \_\_\_\_\_. It is to be noted that subsequent to the withdrawal of exemption the provisions delineated in Para 28 of the Scheme shall become applicable to your establishment. Consequently, any delay in transferring the Past Accumulations of your employees to the Fund under EPFO beyond the permissible time limit shall have its legal consequences delineated under Section 7A, Section 7Q, Section 8, Section 14B and Section 14(2A) of the Act without any further notice.

( \_\_\_\_\_ )

Name of the RPFC-I

To:

1. The Employer
2. The Board of Trustees

**FORM CE - 10**

**Notice of Revocation of Exemption**

**(Under Condition no. 29; of Appendix “A” of Para 27AA of the Scheme)**

Whereas M/s. \_\_\_\_\_ bearing code no. \_\_\_\_\_ was notified as an exempted establishment under Section 17(1)/17(2) of the EPF & MP Act, 1952 vide notification no. \_\_\_\_\_ dated \_\_\_\_\_.

Whereas information was laid before me that the legal status of your establishment has changed subsequent to

<b>Sl.no.</b>	<b>Issue/*Details</b>	<b>Yes/No</b>
1.	A Merger/Demerger	
2.	An Acquisition	
3.	A Sale	
4.	An Amalgamation	
5.	Formation of a Subsidiary whether wholly owned or not	

**\*Details:**

Whereas your attention is drawn to the Condition no.29 of the Conditions of Exemption (Appendix “A” of Para 27AA of the EPF Scheme, 1952) which reads as follows

*“In case of any change of legal status of the establishment, which has been granted exemption, as a result of merger, demerger, acquisition, sale amalgamation, formation of a subsidiary, whether wholly owned or not, etc., the exemption granted shall stand revoked and the establishment should promptly report the matter to the RPFC concerned for grant of fresh exemption”.*

Now, therefore, it is informed that the aforementioned exemption granted to M/s.\_\_\_\_ stands revoked with effect from the (date of this notice). In view of this, you are directed to apply for a fresh exemption or start complying as an Un-exempted establishment. In case you choose to comply as an un-exempted establishment, you shall be required to comply with the provisions of Section 17(5) of the Act read with Para 28 of the EPF Scheme, as regards transfer of Past Accumulations of your Employees to the Fund under EPFO. It may further be noted that failure to observe compliance with the aforementioned statutory provisions may entail legal consequences delineated under Section 7A, Section 7Q, Section 8, Section 14B and Section 14(2A) of the Act without any further notice.

( )

**Name of the RPFC-I**

**To:**

- 1. The Employer**
- 2. The Board of Trustees**

**FORM CE - 11**

**Notice to the Depository Participants of the Exempted Trusts  
(Under Condition no. 19, of Appendix “A” of Para 27AA of the Scheme)**

Whereas M/s. \_\_\_\_\_ bearing code no. \_\_\_\_\_ was notified under Section 17(1)/17(2) of the EPF & MP Act, 1952/ 1952 vide notification no. \_\_\_\_\_ dated \_\_\_\_\_.

Whereas information has been laid before me that M/s. \_\_\_\_\_ is the depository participant of the Exempted Establishment and its Trust namely \_\_\_\_\_.

Whereas information has been laid before me that the establishment is

<b>Sl.no.</b>	<b>Issue/*Details</b>	<b>Yes/No</b>
1.	Closed w.e.f. _____	
2.	Referred to NCLT w.e.f. _____ under IBC provisions	
3.	Under Liquidation w.e.f. _____	
4.	Cancellation	

**\*Details**

Now, therefore, in terms of the Condition no. 19 of Appendix- “A” of Para 27AA you are hereby called upon to transfer the investments lying with you in the name of \_\_\_\_\_ to CBT, EPFO immediately. The said Condition No. 19 is as follows

*“All such investments made, like the purchase of securities and bonds should be lodged in the safe custody of depository participants, approved by Reserve Bank of India and Central Government, who shall be the custodian of the same. On closure of the establishment or liquidation or cancellation of exemption from EPF Scheme,1952, such custodian shall transfer the investment obtained in the name of the trust and standing in its credit to the RPFC concerned directly on receipt of request from the RPFC concerned to that effect”*

For securities transferred, the details of the securities may be furnished in the following format:

<b>Sl. No.</b>	<b>Name and Code No. of the Establishment</b>	<b>Description/ Name of Security</b>	<b>Face Value/ Price at which they were purchased as per Para 28(2)</b>	<b>Date of Transfer</b>
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			<b>of Scheme</b>	

Name of the RPF-C-I

To:

- 1. The Employer
- 2. The Board of Trustees

## 8.4 Forms used in SOP for Surrender of Exemption

Sl. No	FORM	Description
1.	FORM SE-1	Application format for Surrender of exemption along with list of documents to be submitted by the establishment.
2.	FORM SE-2	Checklist and documents to be added/verified and draft agenda by Regional Office
3.	FORM SE-3	Format to be forwarded by the Zonal Office
4.	FORM SE-4	Format for Head Office for sending to the Appropriate Government
5.	FORM SE-5	Order passed by RPFCD to comply as an un-exempted establishment
6.	FORM SE-6	Past accumulation statement to be submitted by the exempted establishment.
7.	FORM SE-7	Memorandum for transfer of Special Deposit Scheme Funds

**FORM SE-1**

**Application for Surrender of Exemption  
(To be submitted in Duplicate)**

To,  
The Appropriate Government  
(Through The Secretary, Labour)  
Government of.....

\_\_\_\_\_  
(To be submitted only through Jurisdictional RPFC)

Subject: **Surrender of exemption in respect of M/s \_\_\_\_\_**  
**Code no. \_\_\_\_\_ - regarding.**

Madam/Sir,

This is to say that our Board of Trustees have resolved to surrender the exemption granted to the establishment (Name and code number).

We are making a voluntary application for surrender of our exemption as per following details:

i.	Name of the applicant Establishment	:	
ii.	P.F. Code No.	:	
iii.	Address of the establishment	:	
iv.	a) Name of the PF Trust	:	
	b) Single PF Trust or Common PF Trust?	:	
	c) If common PF Trust, Details (Name, Code No., etc. of the Principal Establishment Holding the PF Trust)?	:	
v.	Address of the PF Trust	:	
vi.	Kind of Exemption (Under Section 17(1)(a)/Para 27A)	:	

vii.	Date of Grant of Exemption	:	
viii.	Notification No. and Date	:	
ix.	Appropriate Govt.	:	
x.	Case of cancellation through surrender of Exemption?	:	<b>YES</b>
xi.	Copy of resolution of the Board of Trustees	:	
<b>xii.</b>	Intended Date as per BoT's resolution to comply as an un-exempted establishment with EPFO.	:	
<b>xiii</b>	Total number of accounts as on the date of surrender	:	
<b>xiv</b>	Total number of subscribers as on the date of surrender	:	
<b>xv</b>	Total corpus as on date of surrender	:	
<b>xvi</b>	Whether assets are over the liabilities	:	
<b>xvii</b>	Whether all the documents enclosed	:	
<b>xviii</b>	Period up to which the dues have been remitted (mention last month for which contributions deducted and remitted).	:	
<b>xix</b>	Period up to which the member accounts have been updated with	:	



	interest. (Mention FY year).		
<b>xx</b>	Whether Notice has been displayed/Public Notice issued for establishment's intention to surrender exemption (Please enclose a copy of the Notice)	:	
<b>xxii</b>	Whether the establishment has been filing Returns on time. (Mention the last month for which contributions deducted and remitted).	:	
<b>xxiii</b>	Whether the establishment is complying or Closed on the date of application/cancellation.	:	
<b>xxiv</b>	Whether Unclaimed Deposit Accounts (UCD) have been included while transferring the member balance.	:	
<b>xxv</b>	Member grievances pending on the date of application / cancellation.	:	
<b>xxvi</b>	Whether the Trust has forwarded the details of all types of members – contributory / non-contributory in their state of past accumulations	:	

<b>xxvii</b>	Whether the entire corpus as on the date of surrender has been transferred	:	
<b>Xxxviii</b>	Date from which the establishments has started compliance as an un-exempted establishment	:	
<b>Xxx</b>	Details of any due amount of PF payable by the employer/Trust such as surcharges/damages/inspection charges/any fine/arrears outstanding due to any case pending before the court of law	:	
<b>Xxxi</b>	Grounds of surrender (Inability to maintain Trust/ Confidence in Governance of EPFO etc.)	:	
<b>Xxxii</b>	Categorization of investment as per pattern of investment	:	
<b>Xxxiii</b>	Whether the Trust has transferred all the past accumulations as per the Para 28 of the EPF Scheme along with the past Accumulation Statement	:	
<b>Xxxiv</b>	Details of any loss to the Trust as	:	

	a result of any fraud, defalcation, wrong investment decisions, which has been made good by the employer.		
<b>Xxxv</b>	The rate of interest paid by the Trust over last 5 years and comparison with the statutory rate	:	
<b>Xxxvi</b>	Copies of amendments to the rules during period of exemption if any	:	

It is requested to kindly consider the surrender of exemption with effect from\_\_\_\_\_ and to consider issuance of a formal notification in this regard.

I/We.....do hereby undertake that the information given above is true and correct to the best of my/our knowledge and belief and nothing has been concealed. We also undertake all responsibilities about the correctness of the PA statement containing credentials of the members and their last balances.

**Yours truly**

**(Employer)**

**Countersigned by**

**Chairperson Trustees**

Note: In special circumstances, as mentioned in the Standard Operating Procedure, the Trustees can also file the surrender proposal/application.

**List of documents to be submitted along with the surrender application:**

1. A request letter seeking approval to comply as an un-exempted establishment from the effective date and to transfer provident fund accumulations from the PF Trust maintained by the Establishment to the EPFO.
2. An application addressed to appropriate Government requesting for surrender of exemption through the Jurisdictional RPFC.
3. An undertaking signed by the Employer stating that the Employer will recoup any loss against the liability gap incurred by the Trust, in the process of migration.
4. Certified copy of the Board Resolution from the Company/Establishment, where such board exists.
5. Certified copy of the Board resolution from the Board of Trustees of the EPF Trust indicating the date of surrender of exemption.
6. Compliance audit observations along with replies received from the employer for last three years.
7. A self-certified documents with respect to pending Compliance Audit year, if any, in the form prescribed for the compliance audit as amended from time to time.
8. Details of the corpus with duly audited balance sheet(s) of the Trust in respect of the principal establishment as well as participating units along with the details of the securities held under major investment categories.
9. Advance intimation about any closure/merger/demerger/liquidation/acquisition etc. – The establishment as well as the Trustees should initiate the process of surrender of exemption in advance in the events of any change in the legal status of the establishment/closure/going for liquidation by the Court of Law, duly incorporating the supporting documents.
10. The details of the on-going court cases related to EPF exemption matters, if any, along with copy of interim orders, if any. If there is no such case, the NIL report may be submitted.
11. In case of those establishments, which have been granted exemption/relaxation status due to any final/interim order passed by the Court of Law, an express order from such courts may be submitted by the establishment in respect of surrender of their exemption. However, RPFCs may take further decision in respect of such instances on the case-to-case basis.
12. List of Directors with address details and contact numbers including email-id.
13. Consent of Employees.

14. Undertaking from the establishments to make good any losses incurred to the Trust.
15. Complete intimation with Breakup of corpus fund as on \_\_\_\_\_(date of surrender)
16. Past accumulation statement including data-wise transfer of funds of employees including inoperative accounts as on date of surrender.
17. Break up of securities (head-wise) as on \_\_\_\_\_.
18. Copy of the Original Exemption Notification of the Establishment.

(Note:

- a. *Where original notification for grant of exemption is not available either at the Regional Office or at the exempted establishment/Trust, a copy of such notification may be provided.*
- b. *Where the copy of the original notification is also not available, the order number about the grant of exemption may be provided, after exhausting reasonable attempts to obtain the copy of the order from the appropriate government/Gazette Press.*
- c. *Where the exemption order is also not available at the offices of the appropriate Government, /Government Press, Jurisdictional RPFC shall withdraw the relaxation granted earlier and facilitate the transfer of funds.)*

19. Balance sheet for the last 3 years of PF Trust.
20. Balance sheet for the last 3 years of the Establishment along with Audit reports.
21. Documents related to closure/liquidation/change of legal identity.

**FORM SE-2****Checklist and documents to be added/verified at RO**

i.	Name of the Establishment	:	
ii.	Code No.	:	
iii.	Date to comply as an un-exempted establishment	:	
iv.	Total number of accounts as on the date of surrender	:	
v.	Total number of active accounts of subscribers as on the date of surrender	:	
vi.	Total corpus as on date of surrender	:	
vii.	Whether assets are over the liabilities (Yes or No)	:	
viii.	Whether all the documents enclosed as per FORM S.E.1.	:	
ix.	Details of any due amount of PF payable and pending by the employer/Trust such as surcharges/damages/inspection charges/any fine/7A/14B/arrears outstanding due to any case pending before the court of law	:	
x.	Categorization of investment as per pattern of investment	:	
xi.	Whether the Trust has transferred all the past accumulations as per the Para 28 of the EPF Scheme along with the past Accumulation Statement	:	
xii.	Details of any loss including those reported in the last three compliance audit reports to the Trust as a result of any fraud, defalcation, wrong investment decisions, which has been made good by	:	

	the employer.		
xiii.	Whether the information about the investments as given in the last three year balance sheet has been matched with the monthly/annual return filed by the Trust/establishments	:	

**Recommendation:** The surrender proposal as per the FORM S.E.1. received from the establishment has been thoroughly scrutinized and it is recommended that the proposal may be considered for placement before the appropriate Government for decision making through the CBT.

## **Draft Agenda for Surrender of Exemption**

Surrender of Exemption is a special case of cancellation of exemption granted to an establishment. The process of surrender is as per guidelines prescribed by the 215<sup>th</sup> Central Board. In effect, it is a voluntary request for cancellation reflecting an increasing confidence in EPFO's public governance. Surrender of Exemption is effectively a voluntary request for cancellation.

### **2. Basic Details of the Establishment**

Name of the Establishment	
Code No	
Name of the Trust	
Date of Exemption	
Exemption Notification details	
Private/Public/Cooperative establishment	
Working/Closed establishment	
Reported Corpus	
Number of reported EPF members	
Date from which the surrender sought	
Third-Party Audit conducted up to	
Compliance Audit Completed up to	
Rate of interest for last three years (This is at Par with EPFO declared rates)	
Appropriate Government	
Statutory Provisions empowering cancellation	
Jurisdictional RPFC	
Zonal Office	



**3. Brief Introduction:**

M/s \_\_\_\_\_ (Code Number\_\_\_) has applied for surrender of Trust on \_\_\_application date\_\_\_ citing the reason of (as indicated in BOT resolution or cover letter). It has started complying as an un-exempted establishment w.e.f. \_\_\_date of starting un-exempted compliance.

**4. Details:**

a. The establishment has requested the Appropriate Government i.e., Government of \_\_\_\_\_ vide letter dated \_\_\_\_\_ to surrender exemption. The Board of Trustees has passed a resolution dated \_\_\_resolution date \_\_\_\_\_ to surrender exemption w.e.f. \_\_\_\_\_.

b. **Total Corpus and the membership:** Based on third party audit report- The jurisdictional RPFC has shared that the total employee strength at the time of surrender of Exemption was \_\_\_\_\_ (include both left and presently working employees) \_\_\_\_\_ and Total corpus of the establishments’ trust was Rs. \_\_\_\_\_/- (Rupees \_ in \_ words \_ Only).

c. The establishment was granted exemption under Section/Para \_\_\_\_\_ vide Notification No. \_\_\_\_\_ dated \_\_\_\_\_ w.e.f. \_\_\_\_\_ by Government of \_\_\_\_\_.

**d. Compliance status/financial health:**

- i. Jurisdictional RPFC has stated that the no liability is likely to arise on EPFO on cancellation of Exemption.
- ii. Jurisdictional RPFC also informed that Surcharges, Damages & Interest have been levied up to \_\_\_\_\_ and applicable the levied dues collected.
- iii. Jurisdictional RPFC has certified that the status of the establishment has been changed in the system as an un-exempted establishment with effect from \_\_\_\_\_.
- iv. Compliance audit has been conducted up to the year \_\_\_\_\_

**5. Court case / Liquidation matter, if any.**

.....  
.....  
.....

**6. Past accumulation details:**

- a. The third party vide report dated \_\_\_\_\_ has indicated Past Accumulation of Rs. \_\_\_\_\_/-.
- b. The establishment has transferred Past accumulation of sum of Rs. \_\_\_\_\_/- (Rupees \_ in words\_\_ Only) for \_\_\_\_\_ members as on \_\_\_\_\_.
- c. The Past accumulation statement and the Balance sheet.
- d. The details of the cash part of the transaction is as below:

<b>Nature of Transfer</b>	<b>Mode of Transfer</b>	<b>Amount in Rupees</b>	<b>Supporting document e.g. TRRN/Bank statement etc.</b>
<b>Cash</b>			
<b>SDS</b>			

- e. For securities transferred, the details of the securities are detailed as below:

<b>Sl. No.</b>	<b>Name and Code No. of the Establishment</b>	<b>Description/ Name of Security</b>	<b>Face Value/ Price at which they were purchased as per para 28(2) of Scheme</b>	<b>Date of Transfer</b>

## **7. Supporting Documents:**

- a. Draft notification for cancellation (Annexure - J)
- b. Information as per Draft Template of MOLE for Surrender/Cancellation of exemption granted under Para 27A/Section 17(1)(a) of the EPF & MP Act, 1952. (Annexure - L)

## **8. Justification about non availability of any prescribed document.**

**Proposal:** The proposal for Surrender of exemption granted in respect of M/s \_\_\_\_\_ bearing code No. \_\_\_\_\_ Under \_\_section 17(1)(A)/para 27A\_\_\_\_ Notification No. \_\_\_\_\_ dated \_\_\_\_\_, is placed before the Committee for

Exempted Establishments for consideration in accordance to CBT guidelines. The proposal, if allowed shall be further placed before the Central Board of Trustees, for consideration.

**List of documents to be added by the RPFC.**

1. Copy of the relaxation withdrawal order if any.
2. Report of Jurisdictional RPFC regarding financial health and up to date compliance status of the Establishment as per formats below:

**(Regarding un-exempted compliance)**

This is to certify that the establishment M/s. \_\_\_\_\_ (code number \_\_\_\_\_) has begun compliance as an un-exempted establishment w.e.f. \_\_\_\_\_ for \_\_\_\_\_ members. The last contributions received are for the wage month of \_\_\_\_\_ for \_\_\_\_\_ members.

**(Where violation on conditions of exemption were detected but the establishment comes for surrender)**

On the basis of compliance audit reports of preceding 3 years from the date of surrender, this is to certify that the establishments M/s. \_\_\_\_\_ (code number \_\_\_\_\_) has been reported to have violated condition no. \_\_\_\_\_ of grant of exemption. However, the said exempted establishment has submitted application for surrender with effect from \_\_\_\_\_ and has remitted the entire corpus to match the past accumulation statement, which has been verified by the Third-Party Audit and/or the Enforcement Officer.

**(Regarding up-to-date compliance status)**

On the basis of the online ECR reports, this is to certify that the establishment M/s. \_\_\_\_\_ (code number \_\_\_\_\_) has started un-exempted compliance w.e.f. \_\_\_\_\_ and post-surrender, their monthly EPF compliance is received up to \_\_\_\_\_.

Further, the entire past accumulation liability has been deposited by the said exempted Trust and their pension fund contributions as well as Administrative Charges contribution is received up to \_\_\_\_\_. Further, all the losses incurred by the Trust, if any, have been liquidated by the establishment.

This certificate is issued without prejudice to any 7A (for evasion of membership) or 14B proceedings for levy of damages/FIR/Prosecution instituted against the establishment as well as any hidden losses not detected by compliance Audit/Third Party Auditors as such proceedings can continue even after surrender of the exemption.

**(Regarding Financial Health of the Establishment)**

This is to certify that the financial health of the establishment M/s.\_\_\_\_\_ bearing code no.\_\_\_\_\_ is healthy and no liability is likely to arise on EPFO as a consequence of Cancellation of Exemption.

3. Copy of third-party audit report along with third party auditor certificate as per below format:

**Prescribed Certificate from Third Party Auditor**

On the basis of Third Party Audit conducted into the books of accounts of the \_\_\_\_\_ - Trust, which was formed due to exemption granted to establishment, M/s.\_\_\_\_\_ (Code no.\_\_\_\_\_), vide notification Number \_\_\_\_\_ dated \_\_\_\_\_ this is to certify that the financial health of the Trust is sound and is sufficient to balance the liability arising out of the subscribers, members and accounts maintained by the said Trust and no liability will occur to EPFO on account to the intended surrender of the corpus of the Trust.

( )

Chartered Accountant

Office \_\_\_\_\_

Date \_\_\_\_\_

*(Note: Where the third-party audit can't be completed, e.g., closed establishment /establishments under liquidation /establishment/ Trust under seizure by any other law-enforcing authority, the Jurisdictional RPFC shall proceed with the Surrender without it, subject to the condition that the reconciliation of funds shall be required at the time of transfer of past accumulations/corpus.*

4. Legal opinion, wherever applicable/necessary.

5. Details of deviations of investment along with the status of recovery of surcharge, if any.

6. Order by the appropriate government/any other law-enforcing agencies/Court of law, if any.

In case of any difficulty arising in the completion of documentary evidence in respect of any exempted establishment, the proposal for Surrender should be forwarded by the Zonal office along with the recommendations of the Zonal ACC explaining the difficulties.

(Jurisdictional RPFC)

Office\_\_\_\_\_

Dated\_\_\_\_\_

**Annexure – J (Standard Template)**

APPENDIX  
NOTIFICATION

Whereas M/s. \_\_\_\_\_ bearing code No. \_\_\_\_\_ in \_\_\_\_\_ Region has applied for surrender of exemption granted by the \_\_\_\_\_ Government under clause (a) of sub-section (1) of section 17 of the Employees Provident Funds and Miscellaneous Provisions Act, 1952 (19 of 1952) (hereinafter referred to as the Act) / para 27A of the EPF Scheme, 1952 (hereinafter referred to as the Scheme) (as applicable).

2 Whereas a notification bearing No. G.O. \_\_\_\_\_ dated \_\_\_\_\_ granting exemption to the said establishment under clause (a) of sub-section (1) of section 17 of the said Act / para 27A of the said Scheme w.e.f. \_\_\_\_\_.

3 And whereas now it has come to the notice to the \_\_\_\_\_ Government that the establishment has desired to surrender its exemption w.e.f. \_\_\_\_\_ as (mention the reason mentioned in trust resolution).

4 Now, therefore, in exercise of the powers conferred by sub-section (4) of section 17 of the said Act, the state Government hereby cancels the exemption granted to the said establishment with effect from \_\_\_\_\_.

( \_\_\_\_\_ )  
Secretary to the Government

**Annexure – L**

**Draft Template for Surrender of Exemption**

<b>Sl. No.</b>	<b>Subject</b>	<b>Status</b>	<b>Remarks</b>
<b>1.</b>	Name & code of the establishment		
<b>2.</b>	Date of Grant of exemption to the establishment and under which section/Para the exemption was granted (i)Whether under Section 17 of the EPF & MP Act, 1952; or (ii)Whether under Para 27 of EPF Scheme, 1952		
<b>3.</b>	Date on which the establishment has started as an un-exempted establishment.		
<b>4.</b>	Date of application of Surrender/Cancellation of exemption by the establishment.		
<b>5.</b>	Date from which Surrender/Cancellation of exemption has been sought? (a)Grounds for Surrender/Cancellation of exemption.		
<b>6.</b>	Whether the establishment followed all the conditions of exemption as specified in Para 27AA of the EPF Scheme, 1952 and pattern of investment as notified from time to time, (i)If no, details thereof (Clearly mention the condition/violation) (ii)Action taken against such violations. (iii)Whether, certificate in this regard has been submitted by the concerned competent authority (also enclose a copy) and details thereof.		

<b>Sl. No.</b>	<b>Subject</b>	<b>Status</b>	<b>Remarks</b>
7.	Categorization of investment as per pattern of investment (during the period of exemption) (i)Government Securities and Related Investments (ii)Debt Instruments and Related Investments. (iii)Short-term Debt Instruments and Related Investments (iv)Equities and Related Investments (v)Asset Backed, Trust Structured and Miscellaneous Investments.		
8.	Whether the establishment has transferred all the past accumulations as per Para 28 of the EPF Scheme, 1952 along with Past accumulations statement and compliance as an un-exempted establishment, (a)If yes, details thereof (Category wise, Amount and date) (i) Government Securities and Related Investments (ii) Debt instruments and Related Investments (iii)Short-term Debt Instruments and Related Investments (iv) Equities and Related Investments (v) Asset Backed, Trust Structured and Miscellaneous Investments (b) If Not, details thereof and reason therefor.		
9	Whether the annual statement of accounts or pass books issued to every employee within six months of the close of financial or accounting year free of cost once in the year.		



<b>Sl. No.</b>	<b>Subject</b>	<b>Status</b>	<b>Remarks</b>
<b>10.</b>	<p>The amount of interest paid by the establishment to its employees on the PF accumulations during the last three years:</p> <p>(i)First year</p> <p>(ii)Second year</p> <p>(iii)Third year</p>		
<b>11.</b>	<p>(i)Whether the rate of interest paid during the last three years was less than the interest decided by EPFO.</p> <p>(ii) If yes, the reason thereof.</p>		
<b>12.</b>	<p>(i) Whether there is amendment to the rules of the establishment during the period of such exemption?</p> <p>(ii)If yes, whether prior approval of the RPFC was obtained?</p>		
<b>13.</b>	<p>Whether the establishment is regular in filing various monthly and annual returns prescribed by EPFO?</p>		
<b>14.</b>	<p>Whether there is any change of legal status of the establishment after grant of relaxation?</p>		
<b>15.</b>	<p>Whether the establishment is regular in submission of Audited Balance Sheet along with the Auditor's report</p>		

**FORM SE-3**

**(To be forwarded by the concerned Zonal Office)**

**Item No. \_\_: Surrender/Cancellation of Exemption under Section 17(1)(a) of the EPF & MP Act, 1952/Para 27A of the EPF Scheme, 1952 in respect of \_\_ code No. \_\_.**

Name of the Establishment	
Code No.	
Regional Office	
Zonal Office	
Number of reported EPF members	
Reported Corpus	
Date from which the surrender sought	
Appropriate Government	
Statutory Provisions	

2. M/s. \_\_ bearing code no. \_\_ was granted exemption under section 17(1)(a) of the EPF & MP Act, 1952/Para 27A of the EPF Scheme, 1952 vide notification no. \_\_. The said establishment has provident fund Trust in the name of “\_\_”.

3. The following requirements for Surrender of exemption have been fulfilled by the exempted establishment:

- a. Grounds for surrender of exemption.
- b. Details of establishment’s application and resolution of board of Trustees.

4. Essential Requirements for surrender of exemption have been verified and are found to be in order. The same are detailed below:

- a. Details of compliance of the establishment as un-exempted.
- b. Jurisdictional RPFCC Certificate of no liability.
- c. Date and details of complete past accumulations transferred.

- 5.
- a. Grounds for surrender of exemption.
  - b. Jurisdictional RFPC Certificate of initiating legal action for violation of conditions by the establishment/Trust noticed.
6. The complete proposal along with the supporting documents in FORM S.E.1 and FORM S.E.2 has been examined in the light of statutory provisions, and found to be a fit case to be placed before the Committee on Exempted Establishments for consideration of cancellation/surrender of previously granted exemption and the same is being forwarded to Head Office.

**Agenda:** The proposal for surrender/cancellation of exemption granted u/s 17(1)(a) of the EPF & MP Act, 1952/Para 27A of the EPF Scheme, 1952 in respect of M/s. \_\_\_ bearing code No. \_\_\_, by Government of \_\_\_ vide Notification No. \_\_\_ dated \_\_\_ is placed before the Committee for Exempted Establishments for considering their recommendations. The proposal, if recommended shall be further placed before the Central Board of Trustees, for consideration.

(ACC/ACC(HQ))

Zone\_\_\_\_\_

Dated\_\_\_\_\_

**FORM SE-4**

**Format for Head Office for sending to appropriate Government**

To,  
**The Appropriate Government**

**Subject:** Surrender of exemption in respect of M/s. \_\_\_ bearing code no. \_\_\_ - regarding  
Sir/Madam,

M/s. \_\_\_ bearing code No. \_\_\_ is an establishment granted exemption under Section 17(1)(a) of the EPF & MP Act, 1952/Para 27A of the EPF Scheme, 1952 from the operations of the Employee's Provident Fund Scheme, 1952 by Government of \_\_\_ vide Notification No. \_\_\_ dated \_\_\_.

2. The establishment vide its letter dated \_\_\_ has requested to surrender the exemption granted to it stating that \_\_\_. Accordingly, the Trust has passed the resolution to surrender the exemption w.e.f. \_\_\_. The Jurisdictional RPF, \_\_\_ vide their letter dated \_\_\_ has reported that the establishment has started complying as an un-exempted establishment w.e.f. \_\_\_ and the past accumulations has been transferred by the establishment/Trust.

3. The application of the establishment for cancellation/surrender of exemption was placed before the EEC, in their \_\_\_ meeting held on \_\_\_ and before the Central Board of Trustees, EPF in their \_\_\_ meeting held on \_\_\_. Having considered the application, the Central Board of Trustees opined to recommend the request of the establishment M/s. \_\_\_ bearing code no. \_\_\_ for cancellation/surrender of exemption under Section 17(4) of the EPF & MP Act, 1952 to Appropriate Government which is the Government of \_\_\_ in this case.

4. In this context, please find enclosed the following documents for perusal and consideration of issuance of necessary cancellation order in respect of the aforesaid establishment under Section 17(4) of the EPF & MP Act, 1952 through a formal notification.

- xiii. Application for cancellation/surrender of exemption by the establishment.
- xiv. Copy of resolution of Board of Trustees.
- xv. Copy of notification order granting exemption.
- xvi. Specific recommendation of Zonal Office, \_\_\_ vide their letter dated \_\_\_.
- xvii. Minutes of the \_\_\_ EEC Meeting held on \_\_\_.
- xviii. Minutes of the \_\_\_ CBT Meeting held on \_\_\_.



**FORM SE-5**

*(To be issued by the RPFC-I/OIC (Regional Office) as per paragraph 4(i) of the SOP on Surrender of Exemption)*

M/s. \_\_\_\_\_ was notified as an exempted establishment within the meaning of **Section 2(ff)** of the Act by the Government of \_\_\_\_\_ (name) vide office order no \_\_\_\_\_ dated \_\_\_\_\_.

The said establishment has applied to the Government of \_\_\_\_\_ (name) to surrender their exemption with effect from \_\_\_\_\_ (date) consequent to a resolution of the Board of Trustees \_\_\_\_\_ (name of the Trust) dated \_\_\_\_\_.

Considering the facts and circumstances of the application and the relevant documents submitted before me, I \_\_\_\_\_ (name of RPFC-I) do hereby accord provisional sanction to the employer to start complying as an un-exempted establishment with effect from \_\_\_\_\_ (date) till further orders. The said sanction is, however, subject to the completion of all the statutory requirements necessary for the decision of the Govt. of \_\_\_\_\_ (name) on this application of surrender which shall be conveyed to them in due course.

**To,**

**1) The Employer**

**2) The Board of Trustees**

**FORM SE-6**

Statement of Past Provident Fund Accumulation (As on \_\_\_\_\_)  
M/s. \_\_\_\_\_ Establishment code: \_\_\_\_\_

Sl. No.	UAN	Aadhar	Account No./ Employee Id	PF account No. with _____ (trust name)	Name of the member as in Form No. 9 (Revised)	Opening Balance as on _____ (date)		Contribution from _____ (date) to _____ (date)		Interest from _____ (date) to _____ (date)		Withdrawal/ Advance from _____ (date) to _____ (date)		Closing Balance as on _____ (date)		Grand Total	Remarks
						EE	ER	EE	ER	EE	ER	EE	ER	EE	ER		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)

Name of the Trust Fund

**Signature of the Chairman (BOT)    Signature of Trustee    Signature of Trustee**

**Signature of Trustee    Signature of Trustee**

**Past Accumulation amount verified with members P.F. Ledger and found correct**

( \_\_\_\_\_ )  
**Signature of concerned Enforcement Officer with Date**

**FORM SE-7**

REGISTERED A.D.

MEMORANDUM

From:  
The Manager,

To  
The Manager  
State Bank of India  
Securities Services Branch  
IInd floor, Mumbai Main Branch,  
Mumbai Samachar Marg,  
Mumbai 40023  
Special Deposit Scheme, 1975 -  
Transfer of Account

We have been requested by the (Name of the Fund) Whose Special Deposit Account was maintained with this office under the captioned Scheme to transfer the balances to the Special Deposit Scheme Account of Central Board of Trustees (EPFO) maintained with your office.

2. Accordingly a duplicate copy of the application for transfer of balance together with the relative pass book showing a balance of Rs. (in words) and a statement of account is enclosed. The account of Central Board of the Trustees (EPFO) may be credited with the amount of Rs. (in words) and the pass book duly certified may be returned to the transferor account holder at the following address by Registered A/D Post.

3. Interest paid up to \_\_\_\_\_

(Manager)

Copy forwarded for information to the  
(Name and address of the Transferor Fund)



# *REFERENCES*

1. The Employees' Provident Funds Scheme, 1952; (Page;7)
2. The Employees' Provident Funds and Miscellaneous Provisions Act, 1952; (page;7)
3. The EPF & MP Act, 1952 (section 17); (Page;8)
4. The Employees' Deposit Linked Insurance Scheme, 1976; (Page;10)
5. The Employees' Pension Scheme, 1995; (Page;11)
6. Standard Operating Procedure for Surrender of Exemption; (Page;12)
7. The Code on Social Security, 2020; (Page;12)
8. The EPF & MP Act, 1952 (section 17); (Page;12)
9. Minutes of 183<sup>rd</sup> Meeting of the Central Board of Trustees, EPF; (Page;13)
10. The EPF & MP Act, 1952 (section 17); (Page;15)
11. The Code on Social Security, 2020; (Page;16)
12. Exemption Division, Head Office e-mail dated 24.01.2023 to all the Zonal Offices for forwarding the Draft Agenda/Template for Surrender/Cancellation of Exemption to Head Office; (Page;19)
13. Standard Operating Procedure for Grant of Exemption; (Page; 21)
14. Standard Operating Procedure for Regulation and Management of Exempted Establishments; (Page;30)
15. Standard Operating Procedure for Cancellation of Exemption; (Page;38)
16. Hon'ble Supreme Court of India observations on N.K. Jain and Others vs C.K. Shah and Others on 26 March, 1991; (Page;45)
17. Hon'ble Patna High Court observations on Tata Iron & Steel Co. Ltd. vs Bir Singh and Anr. on 16 November, 1979; (Page;45)
18. Standard Operating Procedure for Surrender of Exemption; (Page;50)
19. Minutes of 183<sup>rd</sup> Meeting of the Central Board of Trustees, EPF; (Page;63)

**List of circulars adapted/superseded in Exemption Manual**

Sl. No.	Heading	Sub-heading	Circular No.	Dated	Circular subject	Para number of circular	Chapter of Manual	Para number of SOP	Adapted/Superseded	Justification for modification	Any reference of Act (Section)	Any reference of scheme (para)
1	SOP for Grant of Exemption	Court Cases	Co-ord./11(24)/05/Admn. Inst./Cir./25000	16-06-2005	Delta Ltd., & Anr. Vs RPFC & Anr	Total	2	6	Adapted		Section 17(4)	
2		Guidelines for Grant of Exemption	E.III/18(7)2001/	16-12-2003	Revised conditions for grant	Total		6	Adapted		Section 17(1)(a)(d)	Para 27AA
3			E.III/7(4)2001/KN/82042	05-02-2004	Guidelines for grant cases in light of Revised conditions	Total		6	Adapted			Para 27AA
4			2006/C.II/Misc/Exem/05/EZ/005/90786	01-02-2006	Proforma for undertakings and signature of Trustees	Total		6	Adapted			Para 27AA
5			C-II/Misc/2/06/x/EZ/46396	27-09-2006	Clause 56 of the Finance Bill 2006	Total		6	Adapted		Section 1(3)1(4)&17	
6			C-II/Misc/2/06/x/EZ/65314-65429	20-11-2006	CBT guidelines 176th meeting for processing cases in light of the I.T Act provision	Total		6	Adapted		Section 1(3)1(4)&17	
7			C-II/Misc/2(06)/EX/EZ/88651	09-03-2007	Coverage and exemption of Excluded employees and Trusts,restoration of relaxation powers & Chairman of BOT	Total		6	Adapted		Section 17 and 2( e)	
8			C-II/Misc/2/(06)/EX/EZ/88782	09-03-2007	Introduction of 10 point checklist with grant applications	Total		6	Superseded		Section 17(1)(a)	Para 27AA
9			E-III/7(7)/02/KN/Exemption/88947	09-03-2007	Chairman BOT	Total		6	Adapted		Section 2(e)	Para 27AA
10			C-II/Misc/2/06/EZ/EX/79520-79690	28-12-2007	Comprehensive guideline for Exemption &essential documentation	Total		6	Adapted		Section 17(1)(a)	Para 27A
11			C-EX/32(59)/07/WB/EX/HWR/EZ/24917	29-07-2008	Checkpoints for grant applications	Total		6	Adapted		Section 17(1)(a)	Para 27A
12			C-II/Misc/2/06,EZ/EX/7634	07-01-2009	Timelines for Exemption proposals forwarding	Total		6	Superseded		Section 17(1)(a)	Para 27A
13			C-II/Misc/02/06/Exem/Vol-I/5314	27-04-2009	Guidelines for grant cases in light of I.T. Act & Treatment post Para 79	Total		6	Superseded		Section 17	Para 79
14			C-II/Misc/02/06/EZ/EX/18098	18-11-2011	Amendments in circular dated 28/12/2007	Total		6	Adapted		Section 17(1)(a)	Para 27A
15			C-II/Misc/02/06/EX/EZ/Vol-i/9360	16-08-2013	Guidelines & Timelines for processing cases in view of I.T. Act timeline	Total		6	Superseded		Section 17(1)(a)	Para 27A
16			C-II/Misc/2/06/EZ/EX/Vol-II/11901	05-08-2016	I.T recognition not necessary for grant cases;amendment of circular dated 28/12/2007	Total		6	Adapted		Section 17(1)(a)	Para 27A
17			No.Exem.10(30)/209/7379	25-09-2019	16 points checklist	Total		6	Adapted		Section 17(1)(a)	Para 27A

18			Old circulars, Sl. No. 2 on epfindia.gov.in		Particulars for grant of relaxation/exemption proforma	Total
19	Monitoring		E-III/10(101)2018/Monitoring/Exemption/3644	28-06-2019	Monitoring by Z.O of Grant/cancellation proposals	Total
20	Relaxation		C-II/MISC/02/06/EX/VOL-I/11854	24-07-2012	Withdrawal of power delegated to RPFCS In-charge of Regional/Sub Regional Offices to grant relaxation under Para 79 of the Employees' Provident Fund Scheme, 1952	Total
21	Transfer of PF accumulations		Invest.I/1(10)2000/42517	05-09-2003	Transfer of Provident Fund accumulations in shape of Cash/Securities to exempted establishments consequent upon grant of exemption	Total
22			Invest.I/1(10)2000/24131	26-07-2004	Transfer of Provident Fund accumulations 100% in cash to exempted establishments consequent upon grant of exemption - clarification - regarding	Total
23			C-Ex/Misc./Comp. Audit/2008/2473	21-06-2011	Transfer of funds to the PF trusts subsequent to grant of exemption u/s 17 - reg	Total
24	SOP for Management and Regulation of EPF Exempted Establishments	Compliance Audit	C-Ex/Misc/Comp.Audit 2009/425670	18.10.2010	Compliance Audit of exempted establishments	Total
25			C-Ex/Misc/Comp. Audit/2009/31241	10.11.2011	Proforma of Compliance Audit	Total
26			Exem/10(20)2016/Standing Committee/7963	26.07.2017	Conducting of Compliance Audit of All Exempted Establishments till Financial Year 2016-17	Total
27			C-Ex/Misc/Comp. Audit/2015/19761	05.12.2017	Conducting Compliance Audit every year	Total
28		Investments		HO/IMC/198/APFETF/2015/19966	31.12.2015	Accounting Policy and method of accounting for equity and related investment
29			Exem/10(16)2016/28265	01.02.2017	Gudielines for levy of surcharge	Total
30	Online Returns		C-Misc./Ex. Return/2013/Vol-III/13587	21.09.2017	Parameters to evaluate performance of exempted establishments in respect of filing of online returns.	Total

6	Superseded			
6 and 9	Adapted			
5 and 6	Adapted		Section 17	Para 79
12	Adapted		Section 17	Para 27/27A
12	Adapted			
12	Adapted		Section 17	
3	5 and 6	Adapted		
5 and 6	Superseded	The latest investment pattern has been mentioned in the Compliance Audit proforma.		
5 and 6	Adapted			
6	Adapted			
6	Adapted			
6	Adapted			

31			Exem/10(20)/2016/VOL.III/10735	29.09.2017	Zonal ACC to review the performance of online returns	Total
32			Exem/10(20)/2016/Vol. III/14471	09.10.2017	Issuance of Show Cause Notice to establishments not filing online returns.	Total
33			C-Ex/Ex - Return/2014/19536	01.12.2017	Online filing of monthly returns by the Exempted Establishments and specified timeline for the monthly returns.	Total
34			C-Misc./Ex - Return/2013/Vol-II/909-910	09.04.2018	Parameters to evaluate performance of exempted establishments in respect of filing of online returns.	Total
35			E-III/10(101)2018/Monitoring/Exemption/3644	28.06.2019	Monitoring of and ensuring Filing of Online Returns by the Exempted Establishments and the Annual Compliance Audit of all the Exempted Establishments/Trusts by Regional Offices/Zonal Offices.	Total
36		Third Party Audit	E-III/Misc/14/Exem/Third Party Compliance Audit/ 2682	30.04.2014	Re-auditing of the accounts of Provident Fund maintained by Board of Trustees of Exempted and Relaxed establishments by any other qualified Auditor by RPF	Total
37	SOP for Cancellation of EPF Exemption	Guidelines for Cancellation of Exemption	Coord/11(24)/5/Admin Inst/20	15.06.2005	Cancellation of exemption granted under Section 17(1)(a) of the Act-W.P. No. 1874 of of 2004- Delta Ltd., & Anr. Vs RPF & Anr	1
						2
						3
						4
						5

6	Superseded			
6	Adapted			
6	Adapted			
5 and 6	Adapted			
5 and 6	Adapted			
5 and 6	Adapted			
4	NA	Superseded	Meaningless	
	5.b).iii	Superseded	Intrepretation of High Court order to identify action of clarifying that RC-1 can issue preliminary SCN for cancellation. However the same was reverted	
	NA	Superseded	Meaningless	
	1(v),9	Adapted	NA	section 17(4) , 2(a)
	NA	Superseded	No substantaive point	

38	C-II/Misc./02/06/Exem./EZ/Vol.I/69874	26.12.2008	Violation of the revised conditions for grant of exemption - Compulsory follow up action required.	1
				2
				3
				4
				5
				6
39	Exem. /6(20)08/DL/NZ/Vol.I/30327-477	30.07.2009	Procedure for the cancellation of exemption	1
				2(i)
				2(ii)
				2(iii)
				3(i)
				3(ii)
				4
40	32(6)13/Cancellation Order/39344	23.02.2015	Procedure for Cancellation of Exemption – regarding	1
				2
				3
				4

7(xii)	Adapted		SECTION 17(1A),17(3), 17(4)	27AA
7(xii)	Adapted		SECTION 17(1A),17(3), 17(4)	27AA
7(xii)	Adapted		SECTION 17(1A),17(3), 17(4)	27AA
7(xii)	Adapted		SECTION 17(1A),17(3), 17(4)	27AA
7(xii)	Adapted		SECTION 17(1A),17(3), 17(4)	27AA
7(xii)	Adapted		SECTION 17(1A),17(3), 17(4)	27AA
7(A)(xii)	Adapted			
7(A)(xii)	Adapted			
7(A)(xii)	Adapted			
7(A)(xii)	Adapted			
7(A)(xii)	Adapted			
7(A)(xii)	Adapted			
NA	Superseded	Refernce of previous circular, No substantaive point		
NA	Superseded	No substantaive point	17(1)(a) , 17(2) , 17(4)	
NA	Superseded	Reference to previous circular		
8(iv)	Superseded	without third party under exceptional circumstances	17(4)	25
8(iv)	Superseded	without third party under exceptional circumstances		25

					5
					6
41		Exem/10(20)/2016/Vo.III/144	09.10.2017	Procedure to issue show cause notice to the EPF establishments and their Trusts - regarding	1 2
42	Past Accumulation Transfer	C-Ex/E-III/16(45)99/WB/CE/EZ/82943-83172	01.02.2010	Cancellation of exemption - Transfer of past accumulations - Regarding.	1 2 3
43		C-II/Misc./02/06/Ex/EZ/Vol.I/15146	12.09.2016	Transfer of PA on cancellation of Exemption	1 2 3
44	Third Party Audit	E-III/Misc./14/Exem/Third Party/2862Compliance Audit	30.04.2014	Re-Auditing of the accounts of Provident Fund maintained by Board of Trustees of Exempted and Relaxed establishments by any other qualified - Auditor by RPFC	All
45	Verification of closed/relaxed establishments	C-Ex/32(1)/15/BR/SRO/MUZ/CE/EZ/10249	05.09.2016	Verification of closed exempted/Relaxed establishments	1 2 3

8(iv)	Superseded	without third party under exceptional circumstances		25
8(iv)	Superseded	without third party under exceptional circumstances		25
5.b).iii	Adapted		17(4)	
7(A)(iv),14(g)	Adapted		17(4)	
7(C)(v to vii)	Adapted		17(5),14(2A)	28
7(C)(v to vii)	Adapted		17(5),14(2A)	28, Condition 19 of Appendix-A to Para-27AA
7(C)(v to vii)	Adapted		17(5),14(2A)	28, Condition 19 of Appendix-A to Para-27AA
7(C) (v to vii)	Adapted		17(5)	28
7(C) (v to vii)	Adapted			
7(C) (v to vii)	Adapted			
7(A)(viii)(f)	Adapted	Format of third party audit		24(a) of 27AA
8(ii),(iii)	Adapted		17(5)	Condition 19 of Appendix-A to Para-27AA
8(ii),(iii)	Adapted		17(5)	Condition 19 of Appendix-A to Para-27AA
8(ii),(iii)	Adapted		17(5)	Condition 19 of Appendix-A to Para-27AA

46			Exem/10(18)/2016/Closed Estt/16264	21.12.2016	Verification of closed exempted/Relaxed establishments	1		8(ii),(iii)	Adapted		17(5)	28, Condition 19 of Appendix-A to Para-27AA	
						2		8(ii),(iii)	Adapted		17(5)	28, Condition 19 of Appendix-A to Para-27AA	
						3		8(ii),(iii)	Adapted				
						4		8(ii),(iii)	Adapted				
47	SOP for Surrender of EPF Exemption	Guidelines for Surrender of Exemption	C-Ex/32(6)13/cancellation order/24832	30.07.2014	Guidelines for processing the cases of surrender of EPF exemption - regarding	Total	5	6 B (xxxiv and xxxv)	Superseded	pending compliance action	17(4)		
48				E-III/10(45)2022/Misc/4578	22.03.2019	Intimation regarding initiation of surrender of exemption process		2	FORM S.E.1	Superseded	Points in table added in checklist	17(5)	28
49		Transfer of Past Accumulations	C-II/Misc./02/06/Ex/Ez/Vol.I/10240	13.03.2023	Transfer of P.A on relaxation withdrawal and surrender	NA						17(5)	28
50			Invest-I/(Custodian)-SCB/2011/Vol.II/19193	18.07.2017	Transfer of Govt Securities upon exemption cancellation	2		6(b)(xv)	Adapted			17(5)	28
51			File No: WSU/2022/206/Exemption/17044	13.03.2023	Transfer of Past Accumulations - Receipt of SOS/Permissible Securities regarding.	Total		6 B	Adapted			17(5)	28
52			No. Bkg. I (2)2006 NFMS Vol. V / 148	18.07.2017	Collection in Single Collection A/c 35896921895- for offline collection with SBI- Releasing of VDR Functionality by NDC - Reg	Total		6 B	Adapted			17(5)	28
53			No. Bkg. I (2)2006 NFMS Vol. V / 159	03.08.2017	Deposit of DR cheques in Single Collection Account (35896921895) and discontinuing deposit in the field office accounts under the old system - Reg.	Total		6 B	Adapted			17(5)	28