



ईपीएफओ, मुख्य कार्यालय
श्रम एवं रोज़गार मंत्रालय, भारत सरकार
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EPFO, HEAD OFFICE

MINISTRY OF LABOUR & EMPLOYMENT, GOVERNMENT OF INDIA
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File No. Compliance/M/sEastCoastEnterprises/2021

Date : 16.12.2022

To,

14899

16 DEC 2022

All Addl. CPFC(HQ)s/Addl. CPFCs, Zonal Offices
All RPFCS / OICs, Regional Offices
All OICs, District Offices

Subject – Reconciliation of VDR entries with the corresponding ECRs and timely levy of damages and interest – reg.

Sir/Madam,

Inordinate delay in credit of contributions to the members' accounts even after recovery of dues assessed u/s 7A has been received as a grievance on various occasions and the same has been noted with concern at Head Office. While investigating the root cause of these grievances, certain procedural gaps have been identified. Invariably, the recovery of assessed dues was done through demand draft/(s) in such cases and the corresponding VDR entries were made in the system by the field office. However, the VDR entries were not reconciled with the corresponding ECR/(s) in a timely manner. The corresponding returns / ECR text files have either not been received or the same have been languishing in the field offices. This has led to the piling up of grievances of the affected employees and delay in the delivery of justice to the workers causing them financial hardship.

2. The data pertaining to establishment wise VDRs against contributions as available in the system was analyzed. (Data Sheet enclosed separately) and the key findings are as under:-

- i. A list of 34,359 establishments with 64,347 number of VDR entries against contributions was received.
- ii. The large majority of the above cases are those of recoveries of dues assessed u/s 7A / 7B / 7C.
- iii. A few VDR entries are related to the establishments that have surrendered their exemption and have accordingly transferred their corpus. The same need to be identified by the field offices and reported back in the format enclosed below.

3. However, in cases where dues assessed u/s 7A have been recovered through Demand Drafts and reconciliation remains pending, besides leaving the workers aggrieved, it prevents the systemic calculation of Damages and Interest. If such damages and interest are not levied, this would cause immense loss to the Fund/(s).

4. In view of the above, following instructions are issued to all ZOs and the respective ROs & DOs there under for time bound action as mentioned below :-

i. The enclosed data sheet shall be perused by the Regional Office and compared with the physical VDR register and the Red Book of assessments u/s 7A/7B/7C to finalize the actual data.

ii. All VDR entries against which Returns have been received from the employer but the reconciliation is pending, the reconciliation exercise should be completed within one month.

iii. In cases, where the assessed amounts have been recovered and no litigation is pending, the ECR shall be obtained from the employer and reconciled against corresponding VDR/(s) latest by January, 31, 2023.

iv. In cases, where the assessed amounts are yet to be recovered and no litigation is pending, all efforts should be made to effect the recovery along with ECRs. However, the levy of interest and damages in such cases should be ensured within one month of recovery of such dues.

v. Deliberate non-submission of returns should be dealt with in accordance of law for filing prosecution.

vi. The progress made in this regard shall be monitored by the ACC of the Zone through the monthly O&M meetings and reported to HO in the prescribed format. Field Offices are directed to fill in the requisite data fields against the respective VDR entries and submit to the Zonal ACC which shall then compile the report and forward to the Head Office every fortnight starting from 15.12.2022.

vii. Henceforth, in all cases of recoveries of dues assessed u/s 7A/7B/7C in the form of demand draft/(s), reconciliation of ECRs against the corresponding VDR entries must be completed within T+30 days of the collection of demand and corresponding levy of damages and interest be done within T+60 days to prevent any loss to the Fund/(s).

ACCs/ACC(HQ)s-In-Charge of the Zones shall monitor the progress in the monthly O&M meeting & ensure reconciliation.

5. Action on these above points should be started immediately and a fortnightly progress report in respect of VDR-ECR reconciliation shall be provided to the Head Office in the enclosed format.

(This issues with the approval of CPFC)

Yours sincerely,

Encl: Fortnightly report format


(Jag Mohan)

Addl. Central PF Commissioner (HQ) (Compliance)

Name of Zone	Regional Office Name	Establishment Id	Name of the establishment	Contribution and Damages No of VDRS	Contribution and Damages AMOUNT	Contribution and Interest No. of VDRS	Contribution and Interest AMOUNT	Contribution and Charges No. of VDRS	Contribution and Charges AMOUNT	Available Amount for ECR upload	Reason for Balance Amount e.g. 7A dues, P A of Trust, other specific reason	Period of 7A Inquiry/Inspection	Reconciliation status (Y/N)	Reconciliation Date	14B levied for VDR entry mention at 11. Amount in Rs.	14B Diary No.	If Levy u/s 14B is Pending, Amount Involved as per 14B Notice	Interest u/s 7Q Recovered/to be Recovered in r/o VDR amount at 11
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19