



STANDARD OPERATING PROCEDURE MANAGEMENT AND REGULATION OF EPF EXEMPTED ESTABLISHMENTS





75
Azadi Ka
Amrit Mahotsav

कर्मचारी भविष्य निधि संगठन
EMPLOYEES' PROVIDENT FUND ORGANISATION

श्रम एवं रोजगार मंत्रालय, भारत सरकार
MINISTRY OF LABOUR & EMPLOYMENT, GOVERNMENT OF INDIA

मुख्य कार्यालय/Head Office

भविष्य निधि भवन, 14, भीकानजी कामा प्लेस, नई दिल्ली-110066
Bhavishya Nidhi Bhawan, 14, Bhikaiji Cama Place, New Delhi-110066

Website: www.epfindia.gov.in, www.epfindia.nic.in

G20



File No. E-III/10(116)2023/SOP-ManagementandRegulation/ 107/

Dated:

06 OCT 2023

06 OCT 2023

To,

All ACC(HQ)/ACC (Zones)
All RPFC-I/RPFC-II/APFC In-charge of Field Offices

Subject: Standard Operation Procedure (SOP) for Management and Regulation of EPF Exempted Establishments – regarding

Madam/Sir,

Please find attached herewith the SOP for the Management and Regulation of EPF Exempted Establishments. The said SOP describes the process of compliance to be done by the exempted/relaxed establishments managing their own Trust and the regulations thereof as per the conditions delineated in the statute.

This SOP is in supersession of all the previous instructions and circulars issued till date. The list of circulars and instructions to be superseded is annexed herewith as Annexure – I.

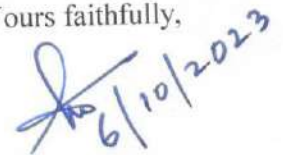
The Form RM - 5 and Form RM - 6 of the SOP i.e., Balance Sheet of the Trust Fund and the format of the Third Party Audit, are under preparation and shall be issued separately.

The ACC(HQ)/ACC (Zones) are requested to ensure compliance of this SOP in their respective offices and in the regional offices under jurisdiction.

All RPFC-I/RPFC-II/APFC In-charge of Field Offices are to ensure the compliance thereof in their respective offices.

[This issues with approval of CPFC]

Yours faithfully,


6/10/2023

(SAURABH SUMAN PRASAD)
(RC-I/Exemption)

Enclosed:

1. Approved SOP for Management and Regulation of EPF Exempted Establishments.
2. Annexure-I containing all the previous circulars/instructions superseded.

Table of Contents

| | |
|---|------------------------|
| 1. INTRODUCTION | 2 |
| 2. PURPOSE | 2 |
| 3. SCOPE | 2 |
| 4. DEFINITIONS | 2 |
| 5. RESPONSIBILITIES | 3 |
| A. Establishment: - | 3 |
| B. Board of Trustees: - | 4 |
| C. Regional Office (RO): - | 4 |
| D. Zonal Office (ZO): - | 5 |
| E. Head Office (HO): - | 5 |
| 6. SPECIFIC PROCEDURE | 5 |
| A. Establishment: - | 5 |
| B. Regional Office (RO): - | 8 |
| C. Zonal Offices (ZO): - | 9 |
| D. Head Office (HO): - | 9 |
| 7. TIMELINES | 10 |
| 8. FORMS AND TEMPLATES TO BE USED | 11 |
| 9. MONITORING MECHANISM | 11 |
| A. RO level: - | 11 |
| B. ZO level: - | 11 |
| C. HO level: - | 11 |
| 10. MISCELLANEOUS | 12 |
| 11. INTERNAL AND EXTERNAL REFERENCES | 24 |
| 12. CHANGE HISTORY | 24 |
| FORM RM-1 | 26 |
| FORM RM-2 | 37 |
| FORM RM-3 | 49 |
| FORM RM-4 | 53 |
| FORM RM-5 | To be issued later on. |
| FORM RM-6 | To be issued later on. |
| ANNEXURE - I | 57 |

1. INTRODUCTION

Exemption from the operations of the EPF Scheme is granted to an establishment by the appropriate Government to manage the Provident Fund of its employees within certain conditions and obligations mandated under Section 17 of the EPF Act, 1952 and its enabling provisions in the EPF Scheme, 1952. The scheme framed by the establishment is however a scheme under the Act; it needs to run as per the provisions of the EPF Act and the EPF Scheme, 1952. This privilege to run its own Trust based on its own scheme is however predicated upon the employees of the establishment enjoying benefits which are not less favourable than those afforded by EPFO to its own members.

2. PURPOSE

This Standard Operating Procedure aims to delineate the process of compliance to be done by the exempted/relaxed establishments managing their own Trust and the regulations thereof on the conditions and obligations as per the statute.

3. SCOPE

The Standard Operating Procedure lays down the compliance terms of the Exempted establishments managing their own PF Trust and further describes EPFO's methodology to monitor and regulate the compliance of the Exempted/Relaxed Establishments. It covers within its ambit establishments which have been granted:

- i. Exemption under Section 17(1) of the EPF Act, 1952.
- ii. Exemption under Section 17(2) of the EPF Act, 1952 (read with Para 27A and Para 27 of the EPF Scheme, 1952).

4. DEFINITIONS

- i. "Act" means, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952.
- ii. "Appropriate Government" means, appropriate Government as defined in Section 2(a) of the Act.
- iii. "BoT" means the Board of Trustees of the exempted establishment constituted as per Para 79-C of EPF Scheme, 1952.
- iv. "CBT " means, the Central Board as provided under Section 5A of the Act.
- v. "Common Provident Fund Trust" means a Trust with two or more participating establishments with at least one representative each from the participating establishment.

- vi. "Compliance Audit" means the annual audit of an exempted establishment in a designated proforma by a team of officers from the Regional Office in whose jurisdiction the exempted establishment is covered under the Act.
- vii. "Conditions of Exemption" means conditions contained in Appendix A to Para 27AA of the EPF Scheme, 1952, in addition to the conditions appearing in the notification of Exemption.
- viii. "EEC" means the Exempted Establishments Committee of the CBT.
- ix. "Employer" means the employer as defined in Section 2(e) of the Act.
- x. "Exempted establishment" means an establishment as defined in Section 2(fff) of the Act.
- xi. "PA" means the Past Accumulations as indicated in section 17(5) of the Act read with Para 28 of the Scheme.
- xii. "Priority Matrix" means the categorisation of the violations of conditions of exemption and the desirable consequential actions as indicated in Para of this SOP.
- xiii. "RPFC" means, the Regional Provident Fund Commissioner in charge of the region in whose jurisdiction the establishment is covered under the Act.
- xiv. "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.
- xv. "Scheme" means the Employees' Provident Funds Scheme, 1952 framed under Section 5 of the Act.
- xvi. "TPA" means the Third Party Audit as indicated in Condition No. 24 (a) of Appendix – 'A' of Para 27AA of the EPF Scheme, 1952.

5. RESPONSIBILITIES

A. Establishment: -

- i. To submit undertakings to ensure compliance with the conditions of exemption and transfer of PA as per Section 17(5) read with Para 28 of the Scheme.
- ii. To constitute a BOT for administering the Provident Fund comprising of such number of members as specified in the Scheme which shall also regulate the terms and conditions of service of the members as per the guidelines in Para 79-C of the Scheme.

- iii. To facilitate inspection and pay the inspection charges at rates mandated by the Central Government.
- iv. To submit online returns as specified by EPFO from time to time.
- v. To provide seamless service to its members inclusive of a machinery for grievance registration and their redressal.
- vi. To ensure posting of the annual report of the establishment and the Trust Fund on its website.

B. Board of Trustees: -

- i. To receive monthly remittance pertaining to its members.
- ii. To maintain detailed accounts of each member employee.
- iii. To submit such return as specified in this SOP.
- iv. To invest the Provident fund monies as per the specified pattern laid down by the Central Govt.
- v. To transfer in and out the employee's accumulations as and when required.
- vi. To ensure non-reduction of the total quantum of benefits in the nature of PF, Pension or gratuity.
- vii. To inform the RO about any change in legal status of the establishment and
- viii. To perform such other duties as specified in the Scheme.

C. Regional Office (RO): -

- i. To set up a proper cell with deployment of adequate number of staff members and take steps towards their capacity building.
- ii. To ensure filing of all online returns by the establishment, subject it to a regular scrutiny and take deterrent steps to address non-compliance.
- iii. To monitor the online performance evaluation of the exempted establishments and take corrective actions.
- iv. To ensure compliance audit of the Establishment and the Trust as per the annual compliance audit calendar to be published each year at the end of the 1st Quarter of the FY and ensure conduct of all audits by the end of the 3rd Quarter.
- v. To take all follow up actions upon the findings of the compliance audit and address any violation of the conditions of exemption on the basis of the priority matrix as indicated in this SOP.

- vi. To cause a third-party audit of the Trust accounts as and when considered necessary.
- vii. To maintain full information about the depository participants and a logbook of auditors of the Trust.
- viii. To submit all prescribed reports to ZO and HO.
- ix. To inform about any amendment in the Trust rules of the establishment to Z.O and H.O.
- x. To identify the existence of condition No. 25 and 29 of the conditions of exemption with requisite follow up actions as delineated in the SOP for cancellation.

D. Zonal Office (ZO): -

- i. To monitor the position of online returns of establishments under the various RO's and to ensure that the return calendar is followed.
- ii. To send advisory to RO's based on the marks-based performance evaluation, as available on the EPFO website (month-wise) in the list of performance of Exempted Establishments.
- iii. To monitor the compliance audit position of all the RO's under their jurisdiction as well as the rectification of the observations made by the Compliance Audit team.
- iv. To conduct outreach programmes and ensure sharing of best practices followed by Trusts with all establishments under their jurisdiction.

E. Head Office (HO): -

- i. To monitor the performance of the ZO's on the twin criteria of timely conduct of compliance audit and online return filing.
- ii. To conduct capacity building and outreach programmes.

6. SPECIFIC PROCEDURE

A. Establishment: -

The establishment shall manage the PF Trust in line with the following procedure based on the conditions of exemption:

- i. The employer and the Trustees shall submit undertakings to ensure compliance with the conditions of exemption and the transfer of PA as per Section 17(5) read with Para 28 of the Scheme.

- ii. The employer as defined in Section 2(e) of the Act shall be the chairman of the BOT. The BOT shall be responsible for maintaining proper receipt and payment account and the balance of the Provident Fund Trust Funds.
- iii. The employer shall immediately enroll an employee as a member and arrange to transfer his accumulations, if the said employee was already a member of EPF or of any other exempted establishment.
- iv. The employer's and employee's contribution shall be transferred to the Provident fund at the rate prescribed under the Act by the 15th of each month and any delay shall entail a simple interest at the rate under Section 7Q of the Act.
- v. Any loss to the Fund arising out of fraud, defalcation, wrong investment decision or for any other reasons shall be borne by the employer.
- vi. Any deficiency in the rate of interest declared by the BOT shall be made good by the employer to bring it up to the statutory rate.
- vii. The employer shall display on the notice board and website of the establishment, a copy of the rules of the Trust fund approved by the appropriate authority and as and when amended thereof along with a translation in the language of the majority of the employees.
- viii. Employer shall ensure that the rate of contribution, rate of interest and the quantum of benefits for its Trust beneficiaries shall not be lower than those provided under this Act and Scheme.
- ix. The employer should ensure settlement of all claims of withdrawal, advances and transfers within 20 days of receipt of such claims.
- x. The employer shall ensure that any beneficial amendment in the Scheme shall be made applicable to the employees' automatically pending formal amendment to the rules of the Trust. However, no amendment to the rules shall be made without the approval of the RPFC who shall give a reasonable opportunity to the employees to explain their point of view
- xi. The employer shall bear the expenses of any third-party audit ordered by the RPFC.
- xii. The exempted establishments shall intimate the RPFC the details of its depository participants in whose custody the investments are lodged.
- xiii. The employer shall facilitate inspection and pay such inspection charges as directed by the Central Govt. under clause (a) of sub-section 3 of Section 17 of the Act.
- xiv. The employer shall inform the RPFC immediately in case of occurrence 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.

- xv. The format of the balance sheet shall be as prescribed by the EPFO. A copy of the annual report of the establishment shall also be sent along with. Both the documents to be sent electronically along with signed hard copies. Employer shall ensure that the same auditors shall not be appointed for two consecutive years and for not more than two years in a block of six years.
- xvi. The BOT and the employer shall file such returns monthly/annually within the prescribed timeframe and failure to do so shall be treated as a default and they shall be liable jointly and separately for prosecution.
- xvii. BOT shall meet at least once in three months and function as per the guidelines laid down by CPFC or an officer authorized by him.
- xviii. BOT shall ensure that all employees as defined in Section 2(f) of the Act become the Trust members unless an exemption is sought for a class of employees which is defined in its Trust Rules.
- xix. The BOT shall maintain the detailed accounts of each members showing contributions, withdrawals and credit of interest preferably in an electronic mode and liable to be transmitted to an officer not below the rank of an RPFC upon their directions.
- xx. Interest shall be credited on the monthly running balances as per Para 60 of the Scheme.
- xxi. The BOT shall ensure issuance of annual statement of accounts within six months of the close of financial year. In case of pass book the same shall be in the custody of the employees and subject to updates upon presentation. The same shall also be facilitated for viewing through digital mode. Every Trust of the exempted establishment shall likewise communicate to their members through SMS on mobile phones, emails or mobile e-passbook about the receipt of contribution, withdrawals and credit of interest in the account of the member every month, within two days of receipt of remittance from the exempted establishments.
- xxii. The BOT shall invest the Trust monies as per the Central Govt. pattern of investment issued from time to time. Failure to do so shall make the BOT and employer separately and jointly liable for levy of surcharge as may be imposed by CPFC or his representative. Deviations in the prescribed percentage within the asset class will be considered as deviation to the maximum of 03 occasions and any deviation beyond may result in cancellation of exemption or withdrawal of relaxation as the case may be, apart from levy of applicable surcharge. Further, the deviation in any one particular year irrespective of approved asset class may mean one occasion. Lastly, a "deviation" shall mean an increase or decrease in percentage of investment in any particular asset class and any deviation which has the effect of making an investment in a different and impermissible asset class shall be deemed as non-compliance with the investment pattern with its statutory consequences.

- xxiii. BOT shall ensure that the securities shall be in the name of the Trust and in DEMAT form. There should be a script wise register and timely realization of interest shall be ensured.
- xxiv. The BOT shall ensure that the DEMAT account is opened only through RBI and Central Govt. registered depository participants in accordance with the instructions issued by the Central Govt. Further the cost of maintaining the DEMAT Account and any brokerage incurred during purchase of securities shall be treated as incidental expenses.
- xxv. Any obligatory expense like settlement of claims, grant of advance as per rule or transfer of accumulation of any employee necessitating sale of securities shall be done only upon a permission from RPFC.
- xxvi. The BOT shall ensure that any commission, bonus or other pecuniary rewards given by any financial institution should be credited to the Trust account.
- xxvii. The accounts of the PF shall be subjected to annual audit by a qualified independent chartered accountant. A copy of the auditor's report along with the audited balance sheet of the Trust shall be submitted to the RPFC within six months of the close of the financial year (1st April to 31st March).
- xxviii. The BOT may constitute an Investment committee of financial experts as deemed fit by the Trustees to ensure best investment practices and optimal management of Trust funds.

B. Regional Office (RO): -

- i. Regular scrutiny of online returns shall be undertaken at the R.O. level. Any non-compliance may invite penal actions as provided in section 14(2A) of the Scheme and may be a basis for cancellation of exemption.
- ii. RPFC shall ensure that the annual compliance audit of the establishment is completed as per the annual calendar and in any case not later than 31st December of the F.Y.
- iii. The Compliance audit shall be done by a team of E.O's and APFC/RC-II in the FORM RM-1 with a clear emphasis on securing the interests of the workers by ensuring compliance with the conditions of exemption as indicated in the priority matrix indicated in Para 2(I) of this SOP and elaborated in Para 10(i) of this SOP. The priority matrix shall be the basis for all follow up actions subsequent to compliance audit.
- iv. The compliance audit team shall be on the lookout for the existence of Conditions No. 25 as regards the establishment and 29 which have a mandatory connotation as regards cancellation of exemption. Thus an establishment suffering consecutive loss for three years or an erosion in their capital base shall have their exemption withdrawn from the 1st day of the next FY. Similarly, a change in the legal status of the establishment shall trigger off a revocation of exemption

mandatorily as per Condition no. 29 of the conditions of exemption on the lines laid down in the SOP for cancellation.

- v. Compliance audit shall include a statement on the treatment of accretions in the reserves and surplus fund and the procedure of crediting of interest in the accounts of the subscribers which shall be compliant with Para 60 of the Scheme.
- vi. Any deviation in the pattern of investment shall be dealt with by levying surcharge as per the prescribed rates as a precursor to further actions as provided in the statute. The rates are given under Para 10 (iii).
- vii. RPFC may undertake a third-party audit of Trust in FORM NO. RM-6 as and when he considers it necessary. The said activity shall be performed after reasons to be recorded in writing as regards the purpose behind this audit. Subsequent to this an information shall be sent to Z.O to this effect.
- viii. RPFC shall forward the yearly compliance audit position of the exempted establishments to ZO in FORM RM-3 by 15th January every year.

C. Zonal Offices (ZO): -

ACC ZO shall monitor the performance of the respective RO's under their jurisdiction and ensure the following:

- i. Timely submission of online returns.
- ii. Monitoring of online performance evaluation system and issuance of necessary instructions thereof.
- iii. Timely completion of Compliance audit.
- iv. To forward the monthly compliance audit position of the respective RO's to HO in FORM RM-4 by 25th January every year.
- v. Conducting of annual meet of exempted establishments and outreach dissemination programmes for capacity building and sharing of best practices as regards management of Trust.

D. Head Office (HO): -

Till such time the dashboard becomes functional, HO shall monitor the performance of the Zones.

- i. The online returns shall be monitored at the level of RPFC exemption through the FO Interface link followed by instructions as regards corrective actions.
- ii. The compliance audit position shall be monitored on the basis of the information received from ZO through as per FORM RM-4 which has been already circulated.

- iii. Outreach programmes with selected establishments shall be undertaken in collaboration with PDUNASS.

7. TIMELINES

| Sl. No. | Detail | Role | Timeline |
|---------|---|--------------------------|---|
| 1. | Board meeting. | BOT | At least once in every three months. |
| 2. | Term of office of a Trustee. | BOT | For 3 years. |
| 3. | Transfer of monthly contribution (employer and employee) to the Trust Fund. | Establishment | By 15 th of the following month. |
| 4. | Issuance of annual statement of accounts/ Pass book to every employee. | BOT | Within 6 months of the closure of the financial year. |
| 5. | Filing of monthly returns (Part – C, D and E) | Establishment/ BOT | By 25 th of the following month. |
| 6. | Filing of Annual returns (Part – F) for the financial year ending on 31 st March. | Establishment/ BOT | By 25 th of the next month i.e., 25 th April. |
| 7. | Request for change in details of establishment or Trust (Part – A or B) | Establishment/ BOT | By 25 th of the following month. |
| 8. | Submission of Auditor's report along with balance sheet and P & L Account of the Trust Fund and the establishment along with annual report. | Establishment and BOT | Within 06 months of the closure of the financial year. |

8. FORMS AND TEMPLATES TO BE USED

- i. Online returns in **FORM RM-1** to be filed by the establishment.
- ii. Compliance Audit of exempted establishments as per **FORM RM-2**.
- iii. Compliance Audit position by ROs to ZO as per **FORM RM-3**.
- iv. Compliance Audit position by ZOs to HO as per **FORM RM-4**.
- v. Balance Sheet of the Trust Fund in **FORM RM-5**. (To be issued later on)
- vi. Third Party Audit in **FORM RM-6**. (To be issued later on)

9. MONITORING MECHANISM

A. RO level: -

- i. Regular monitoring of FORM RM-1 through FO interface.
- ii. Monitoring of Online performance based evaluation system (https://www.epfindia.gov.in/site_en/Per_Exempted.php).
- iii. Timely conduct of Compliance Audit in FORM RM-2.
- iv. Submission of FORM RM-3 to ZO.
- v. Scrutiny of FORM RM-5.
- vi. Third Party Audit on need basis in FORM RM-6.

B. ZO level: -

- i. Monitoring of Online performance based evaluation system (https://www.epfindia.gov.in/site_en/Per_Exempted.php) and issuance of advisory to RO, thereof.
- ii. Monitoring of FORM RM-3 and onward submission to HO in FORM RM-4.

C. HO level: -

- i. Monitoring of FORM RM-1 through FO Interface by RC-Exemption.
- ii. Monitoring of Online performance based evaluation system (https://www.epfindia.gov.in/site_en/Per_Exempted.php) for advisories to ZO/RO.
- iii. Monitoring of FORM RM-4.

10. MISCELLANEOUS

i. Priority Matrix: -

- (a) The priority matrix regarding the violation of exemption conditions is detailed in Form CE-6 (attached to the SOP on cancellation of exemption) wherein conditions which entails mandatory cancellation are categorised as “A” and those where the establishment can rectify violations are categorised as “B” and “C”.
- (b) The said priority matrix is detailed as below:
- 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.

| Sl. No. | Conditions | Category | Source Document and Frequency |
|---------|---|----------|-------------------------------|
| 1. | The establishment has reported a loss for the three consecutive financial years or erosion in their capital base. (Condition 25) | A | Compliance audit; Annual |
| 2. | Losses occurred to the P.F. Trust have not been recouped by the employer/ establishment. (Condition 28) | A | Compliance audit; Annual |
| 3. | Default in payment of P.F. & allied dues. (Condition 05) | A | Online ranking; Monthly |
| 4. | Evasion in membership of all category of employees as defined in Section 2(f). (Condition 03) | A | Compliance audit; Annual |

| | | | |
|-----|--|---|--|
| 5. | <p>(a) The Trust has not ensured audit of the accounts of the Provident Fund</p> <p>(b) The audited balance sheet is not submitted to the Jurisdictional RPFC by the Auditors directly within six months after the closing of the financial year from 1st April to 31st March. or</p> <p>(c) Same auditors have been appointed for two consecutive years and more than two years in a block of six years.(Condition 24)</p> | A | Annual responsibility to submit on Establishment, Annual |
| 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. (Condition 29) | 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. (Condition 18) | 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 file not score a minimum of 300 marks out of 600 for consecutive 03 months. | A | Online ranking, Monthly |
| 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 | Compliance Audit, Annual |

| | | | |
|-----|--|---|---|
| 12. | Board of Trustees are 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 |
| 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. | A | 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 |
| 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 |
| 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. |
| 25. | The employer or the Board of Trustees have not submitted written undertaking to abide by the conditions of grant of exemption. | B | Compliance Audit, Annual |
| 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 |
| 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 | Compliance Audit, Annual |

| | | | |
|-----|--|---|--------------------------|
| 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 |
| 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 |

ii. Online performance evaluator (SCORING AND MONTHLY ONLINE RANKING): -

The performance of the exempted/relaxed establishments will be monitored and the establishments will be allocated points on the 06 parameters as below:

| Sl. No. | Parameter | Allocation of points |
|---------|-----------------------------------|--|
| 1. | Transfer of fund before due date. | Full 100 points have been given to the establishment which has transferred the provident fund before the due date and for belated transfer, the points will be deducted proportionately. |
| 2. | Investment | Full 100 points have been given to the establishment whose Trust has invested 70% or more of the investible corpus and for not investing 70% or more of the investible corpus the points will be deducted proportionately. |
| 3. | Remittance to the Trust | Full 100 points have been given to the establishment which has transferred full P.F. accumulations for a month to the Trust and points will be deducted proportionately for not transferring the funds. |
| 4. | Interest declared | Full 100 points have been given to the establishment whose Trust has declared rate of interest at par or more than EPFO rate and for declaration of less rate of interest, points will be deducted proportionately. |

| | | |
|----|-------------------|--|
| 5. | Claim settlement | Full 100 points have been given to the establishment which has settled all the claims of the members within 10 days and points will be deducted proportionately for not settling the claims in time. |
| 6. | Audit of Accounts | Full 100 points have been given to the establishment whose Trust's accounts have been audited and the points will be deducted proportionately for not getting the accounts audited. |

iii. Rates of levy of surcharge (on account of deviations): -

| Sl. No. | Investment Category (Percentage Amount to be Invested) | Occasion of Deviation | Rates |
|---------|---|-----------------------|---|
| 1. | Government Securities and Related Investments (Minimum 45% and Upto 65%) | 1 st | 0.25% of amount* in shortfall or excess of prescribed percentage of investment in the category. |
| | | 2 nd | 0.50% of amount* in shortfall or excess of prescribed percentage of investment in the category. |
| | | 3 rd | 1.00% of amount* in shortfall or excess of prescribed percentage of investment in the category. |
| 2. | Debt Instruments and Related Investments (Minimum 20% and Upto 45%) | 1 st | 0.50% of amount* in shortfall or excess of prescribed percentage of investment in the category. |
| | | 2 nd | 1.00% of amount* in shortfall or excess of prescribed percentage of investment in the category. |
| | | 3 rd | 2.00% of amount* in shortfall or excess of prescribed percentage of investment in the category. |

| | | | |
|----|--|-----------------|---|
| 3. | Short-term Debt Instruments and Related Investments. (Upto 5%) | 1 st | 0.50% of amount* in shortfall or excess of prescribed percentage of investment in the category. |
| | | 2 nd | 1.00% of amount* in shortfall or excess of prescribed percentage of investment in the category. |
| | | 3 rd | 2.00% of amount* in shortfall or excess of prescribed percentage of investment in the category. |
| 4. | Equities and Related Investments. (Minimum 5% and Upto 15%) | 1 st | 0.50% of amount* in shortfall or excess of prescribed percentage of investment in the category. |
| | | 2 nd | 1.00% of amount* in shortfall or excess of prescribed percentage of investment in the category. |
| | | 3 rd | 2.00% of amount* in shortfall or excess of prescribed percentage of investment in the category. |
| 5. | Asset Backed, Trust Structured and Miscellaneous Investments. (Upto 5%) | 1 st | 0.50% of amount* in shortfall or excess of prescribed percentage of investment in the category. |
| | | 2 nd | 1.00% of amount* in shortfall or excess of prescribed percentage of investment in the category. |
| | | 3 rd | 2.00% of amount* in shortfall or excess of prescribed percentage of investment in the category. |

[* to the extent of deviation in the investment pattern (excess or shortfall in respective category as the case may be), proposed to be regulated by levy of surcharge.]

[For the purpose of extent of deviation, the term “investment surplus” for any financial year shall mean the sum total of fresh contribution receipts of maturity proceeds, commission amount plus any other accruals (including interest on investment) less payments and withdrawals.]

[The amount of surcharge levied shall be paid by the establishment within 30 days from the date of order of assessment. If the surcharge is not paid within the time so stipulated, it will attract interest at the rate as provided under Section 7Q of the Act]

[In any exceptional case, a proposal in writing to vary from the prescribed surcharge in the above guidelines, maybe forwarded to ACC (Compliance) for decision of CPFC keeping the overall interest of the members in consideration.]

iv. Third Party Audit: -

A panel of TPA's as indicated in clause (xvi) of Para 4 of this SOP, shall be constituted at the level of Zonal Office. 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: -

- a) An audit firm having valid registration with ICAI (Institute of Chartered Accountants of India).
- b) The applicant firm should be in existence for at least 10 years.
- c) The applicant firm should have at least 5 full time partners with at least 1 full time FCA (Fellow Chartered Accountants).
- d) The applicant firms must have an experience of auditing accounts/handling tax matters with any companies of having turnover of at least 50 crores per annum.
- e) Average annual turnover of the audit firm should be at least Rs. 1.5 crores in each of the last three years.
- f) 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.
- g) Applicant firm or its partners should not be facing any investigation or enquiry by any tax authority for violation of any of the tax laws.

(ii) Process of selection: -

- a) Applications shall be called through GeM by the Zonal Office from the Audit firms as at 1 above.

- b) The applications shall be scrutinized by a committee of three members (RPFC-I of Zonal Office, Senior most RPFC-I of the Zone and 1 expert member from the ICAI) constituted by the Zonal ACC.
- c) Zonal ACC on the recommendation of the committee as at 'b' above, will form a panel of adequate number of audit firms.
- d) The number of audit firms should not be less than 5 and more than number of exempted establishments divided by 25.
- e) The term of the panel so empanelled shall ordinarily be 3 years and may be extended by one year at a time not exceeding maximum of 3 years.
- f) The RPFC-in-charge of Regional Office shall ensure that the third-party audit is assigned proportionately and randomly. It may be ensured that 1 audit firm shall not have more than three third-party audits allotted and pending at any given point of time.
- g) Zonal Office shall be empowered for pre-mature termination of any audit firm from the empanelled list of audit firms by way of speaking order after giving a reasonable opportunity to the audit firm following the principles of natural justice.
- h) The same auditors should not be appointed for two consecutive years for the same establishment.

(iii) Nature of work: -

- a) To certify that the legal status of the establishment remains un-changed from the date of grant of exemption to the year of audit.
- b) To certify that the establishment is not reporting erosion in their capital base or loss for three consecutive financial years.
- c) The report shall be submitted in FORM RM-6 as modified from time to time, to the RPFC-in-charge of the Office within 30 days from issue of work order.

(iv) Scale of fees to be paid:

- a) The fees shall be regulated in accordance with the minimum scale of fees recommended by ICAI as amended from time to time as below: -

| PARTICULARS | Revised minimum Recommended scale of Fees | | |
|---|---|--------------------------|-------------------------|
| | Class 'A' Cities (Rs.) | Class 'B' Cities (Rs.) | Class 'C' Cities (Rs.) |
| AUDIT AND OTHER ASSIGNMENTS | | | |
| Rate per day would depend on the complexity of the work and the number of days spent by each person. | | | |
| (i) Principal | 18,000/- & Above per day | 12,000/- & Above per day | 8,000/- & Above per day |
| (ii) Qualified Assistants | 10,000/- & Above per day | 7,000/- & Above per day | 5,000/- & Above per day |
| (iii) Semi Qualified Assistants | 5,000/- & Above per day | 4,000/- & Above per day | 3,000/- & Above per day |
| (iv) Other Assistants | 3,000/- & Above per day | 2,000 & Above per day | 1,000/- & Above per day |
| Subject to minimum indicative Fees as under: | | | |
| (i) Tax Audit | 40,000/- & Above | 30,000 & Above | 22,000/0 & Above |
| (ii) Company Audit | | | |
| (a) Small Pvt. Ltd. Co. (Turnover up to Rs. 2 crore) | 50,000/- & Above | 35,000/- & Above | 25,000/- & Above |
| (b) Medium Size Pvt. Ltd. Co./Public Ltd. Co. | 80,000/- & Above | 55,000/- & Above | 35,000/- & Above |
| (c) Large Size Pvt. Ltd. Co./Public | See Note 1 | See Note 1 | See Note 1 |
| (iv) Review of TDS Compliance | 25,000/- & Above | 18,000/- & Above | 12,000/- & Above |
| (v) Transfer Pricing Audit | See Note 1 | See Note 1 | See Note 1 |

Note 1): Fees to be charged depending on the complexity and the time spent on the particular assignment.

*Classification of cities are as follows:

| Sl. No. | STATES/UNION TERRITORIES | CITIES CLASSIFIED AS "A" | CITIES CLASSIFIED AS "B" | CITIES CLASSIFIED AS "C" |
|---------|---------------------------|--------------------------|--|--------------------------|
| 1. | ANDAMAN & NICOBAR ISLANDS | - | - | All cities |
| 2. | ANDHRA PRADESH | - | Vijayawada, Greater Visakhapatnam, Guntur, Nellore | Other Cities |
| 3. | ARUNACHAL PRADESH | - | - | All cities |
| 4. | ASSAM | - | Guwahati | Other Cities |

| | | | | |
|-----|---------------------|-----------|---|--------------|
| 5. | BIHAR | - | Patna | Other Cities |
| 6. | CHANDIGARH | - | Chandigarh | - |
| 7. | CHHATTISGARH | - | Durg-Bhilai Nagar, Raipur | Other Cities |
| 8. | DADRA & NAGR HAVELI | - | - | All cities |
| 9. | DAMA & DIU | - | - | All cities |
| 10. | DELHI | Delhi | - | - |
| 11. | GOA | - | - | All cities |
| 12. | GUJARAT | Ahmedabad | Rajkot, Jamnagar, Bhavnagar, Vadodara, Surat | Other Cities |
| 13. | HARYANA | - | Faridabad, Gurgaon | Other Cities |
| 14. | HIMACHAL PRADESH | - | - | All cities |
| 15. | JAMMU & KASHMIR | - | Srinagar, Jammu | Other Cities |
| 16. | JHARKHAND | - | Jamshedpur, Dhanbad, Ranchi, Bokro Stell City | Other Cities |
| 17. | KARNATAKA | Bengaluru | Belgaum, Hubli- Dharwad, Mangalore, Mysore, Gulbarga | Other Cities |

| | | | | |
|-----|----------------|----------------------|---|--------------|
| 18. | KERALA | - | Kozhikode, Kochi, Thiruvananthapuram, Thrissur, Malappuram, Kannur, Kollam | Other Cities |
| 19. | LAKSHADWEEP | - | - | All cities |
| 20. | MADHYA PRADESH | - | Gwalior, Indore, Bhopal, Jabalpur, Ujjain | Other Cities |
| 21. | MAHARASHTRA | Greater Mumbai, Pune | Amravati, Nagpur, Aurangabad, Nashik, Bhiwandi, Solapur, Kolhapur, Vasai-Virar City, Malegaon, Nanded-Waghala, Sangli | Other Cities |
| 22. | MANIPUR | - | - | All cities |
| 23. | MEGHALAYA | - | - | All cities |
| 24. | MIZORAM | - | - | All cities |
| 25. | NAGALAND | - | - | All cities |
| 26. | ODISHA | - | Cuttack, Bhubaneswar, Rourkela | Other Cities |
| 27. | PUDUCHERRY | - | Puducherry/ Pondicherry | - |
| 28. | PUNJAB | - | Amritsar, Jalandhar, Ludhiana | Other Cities |
| 29. | RAJASTHAN | - | Bikaner, Jaipur, Jodhpur, Kota, Ajmer | Other Cities |

| | | | | |
|-----|---------------|-----------|--|--------------|
| 30. | SIKKIM | - | - | All cities |
| 31. | TAMIL NADU | Chennai | Salem, Tiruppur, Coimbatore, Tiruchirappalli, Madurai, Erode | Other Cities |
| 32. | TELANGANA | Hyderabad | Warangal | Other Cities |
| 33. | TRIPURA | - | - | All cities |
| 34. | UTTAR PRADESH | - | Moradabad, Meerut, Ghaziabad, Aligarh, Agra, Bareilly, Lucknow, Kanpur, Allahabad, Gorakhpur, Varanasi, Saharanpur, Noida, Firozabad, Jhansi | Other Cities |
| 35. | UTTARAKHAND | - | Dehradun | Other Cities |
| 36. | WEST BENGAL | Kolkata | Asansol, Siliguri, Durgapur | Other Cities |

11. INTERNAL AND EXTERNAL REFERENCES

The internal reference has been taken from the existing circulars related to filing of online returns, compliance audit, etc. which is annexed as "Annexure – I".

12. CHANGE HISTORY

Whether the SOP is the initial version:

- SOP No: 5: Version 1
- Effective Date: --
- Significant Changes: --
- Previous SOP no.: --

Whether replacing a previous SOP: Nil as the present SOP is still at draft stage.

- SOP No: Record the SOP and new version number
- Effective Date: Record effective date of the SOP
- Significant Changes: Record the main changes from previous SOP
- Previous SOP no.: Record SOP and previous version number.

**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

| Sl. 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/Para | Selection from a drop down list | Please see Annexure C to view the list. |
| 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 | |
| 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 H is 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 5A |
| 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 5A. |
| 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 | |
| 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 Number 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 P F Trust) | The fields will be as follows: | 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. |
| | Select State | Selection | |
| | State Office | Selection | In case the Trust is handled by another code and the establishment filing the return is a Participating |
| | Regional Code | Display | |
| | Office Code | Display | |
| | Code Number | Data entry | |
| | Extension | Data entry | |
| | Name of Establishment | Display | |
| | Address of Establishment | Display | |

| | | | |
|---|---|--------------------------------|--|
| | | | unit, he will be able to view the data in Part E and F if entered by the Parent Trust. |
| | | | A link to view the compliance by the Branch post March 2012 will also appear. There will be facility to add row for more branches. |
| M | Details of Chairman | Following fields will be there | |
| | Name | Data entry | |
| | Designation | Data entry | |
| N | 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 | |
| O | 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 Type | Selection | |
| P | CSDL/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 | |
| Q | 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. |
| R | 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 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.

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)

| Sl. No. | Field Name | Field Type | Remarks |
|---------|--|------------|---|
| 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 | Data entry | The sum of G and H should be equals to F. |
| I | Number of International Workers | | Data entry | |
| J | Number of Disabled Workers | | Data entry | |

PART D: Contribution Details (Monthly Part)

| Sl. 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 | | Data entry | |
| E | ER Share | Data entry | |
| F | | Data entry | |
| G | Refunds | Due in the month | Data entry |
| H | | Transferred | Data entry |
| I | Total Due | Auto display | It will display the amount by adding total due amounts i.e. (A+B+E+G) |
| J | Details of Transfer of Contribution | Amount | Click on add row button and fill the amount in case the funds were transferred in parts. |
| | | Date | |
| N | Total amount transferred to BOT | Auto display | It will display the amount by adding total transferred amounts i.e. (D+F+H) |
| O | Balance Due for transfer | Auto display | It will display remaining amount by deducting total amount transferred from total dues i.e. (I-N) |
| P | Interest paid | Data entry | Interest paid to Trust by the employer for any belated transfer to Trust |

PART E: INVESTMENT DETAILS (MONTHLY PART by PARENT TRUST ONLY)

| Sl 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 | Data entry | |
| E | Refunds (Loans & Advances) | Data entry | |
| F | Transfer in | Data entry | |
| G | Other Receipts | Data entry | |

| | | | | |
|---------------------------------|---|---|--------------|--|
| H | Recoup by Employer in | For Capital loss on investment | Data entry | |
| I | Case of loss by Trust | For Revenue loss on account of Interest shortfall | Data entry | |
| Return from Investments: | | | | |
| J | Interest | Previous Due | Data entry | One time data entry. On next month it will be automatically displayed |
| K | | Receivable in the current month | Data entry | |
| L | | Receivable 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 (N+O-P). |
| 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 | It will display the amount by using the formula (R+S-T). |
| V | Total Receipts | | Auto display | It will display the amount by adding the following fields (D+E+F+G+H+I+L+P+T) |
| Payments | | | | |
| W | Claim including Transfer out | | Data entry | |
| X | Loans and Adv | | Data entry | |
| Y | Other Payments | | Data entry | |
| Z | | | 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). |
| AB | 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. |
| AC | Cash Balance | | Auto display | It will display the amount by using the formula (AA-AB). |
| AD | % of cash balance against available | | Auto display | It will display the amount by using the formula (AC*100/AA). |
| AE | Reason for un-invested amount | | Data entry | |

Screen opened through Hyperlink Securities/Matured Amount/Invested Amount/

INVESTMENT DETAILS SECURITIES:

| Sl. No | Reference | Opening balance as on First Return | Matured During The Month | Invested during the month | | | | Closing Balance | Remakes |
|---|--|------------------------------------|--------------------------|---------------------------|------------|-----------------------|---------------------------|-----------------|--|
| | | Face value | Face value | Face value | Deal value | Accrued Interest Paid | Accrued Interest Received | Face value | |
| a | b | c | d | e | f | g | h | i | |
| 1 | Central Government Security Item (i) of the notification | One Time data | Data entry | Data entry | Data entry | Data entry | Data entry | Auto display | The face value of Closing Balance is auto display the amount by using the formula face value of opening balance-face value of mature + face value of investment i.e. (C-D+E) |
| 2 | State Government Securities/SDL Item (II) (a) of the Notification | One Time data | Data entry | Data entry | Data entry | Data entry | Data entry | Auto display | |
| 3 | Central/State Government Guaranteed Securities Item (ii) (b) of the Notification | One Time data | Data entry | Data entry | Data entry | Data entry | Data entry | Auto display | |
| 4 | Bonds/Securities of Public Financial Institution item (iii) (a) of the Notification | One Time data | Data entry | Data entry | Data entry | Data entry | Data entry | Auto display | |
| 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 | TDR (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 (CBLO) item (iii) (c) of the Notification | One Time data | Data entry | Data entry | Data entry | Data entry | Data entry | Auto display | |
| 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 | SDS | 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 | |
| Categories for Investment as per New Pattern wef 29.05.2015 | | | | | | | | | |
| 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 |

| | | | | | | | | |
|----|--|---------------------|------------|------------|------------|------------|------------|--------------|
| | | entry | | | | | | |
| 14 | Category (i)(b) Other Securities | One time data entry | 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 I Bonds | One time data entry | Data entry | Data entry | Data entry | Data entry | Data entry | Auto display |
| 18 | Category (ii)(c) Rupee Bonds of IBRD, IFC and ADB | One time data entry | Data entry | Data entry | Data entry | Data entry | Data entry | Auto display |
| 19 | 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 |
| 20 | Category (ii) (e) Debt Mutual Funds | One time data entry | Data entry | Data entry | Data entry | Data entry | Data entry | Auto display |
| 21 | Category (ii) (f) Infrastructure debt. Instruments | One time data entry | Data entry | Data entry | Data entry | Data entry | Data entry | Auto display |
| 22 | Category (iii) (b) Category (iii) (b) Liquid Mutual Fund | Data entry | Data entry | Data entry | Data entry | Data entry | Data entry | Auto display |
| 23 | Category (iii) (b) Liquid Mutual Fund | Data entry | Data entry | Data entry | Data entry | Data entry | Data entry | Auto display |
| 24 | 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 |
| 25 | Category (iv) (a) Shares of Body Corporates list on BSE/NSE. | Data entry | Data entry | Data entry | Data entry | Data entry | Data entry | Auto display |
| 26 | Category (iv) (b) Mutual Funds regulated by SEBI | Data entry | Data entry | Data entry | Data entry | Data entry | Data entry | Auto display |
| 27 | Category (iv) (C) ETF of either Sensex index or Nifty 50 index. | Data entry | Data entry | Data entry | Data entry | Data entry | Data entry | Auto display |
| 28 | 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 |
| 29 | Category (iv) (e) ETF for the purpose of hedging | Data entry | Data entry | Data entry | Data entry | Data entry | Data entry | Auto display |
| 30 | Category (v) (a) CMBS or RMBS. | Data entry | Data entry | Data entry | Data entry | Data entry | Data entry | Auto display |
| 31 | Category (v) (b) Unite issued by REITs. | Data entry | Data entry | Data entry | Data entry | Data entry | Data entry | Auto display |

| | | | | | | | | |
|----|---|------------|------------|------------|------------|------------|------------|--------------|
| 32 | Category (v)(c) ABS regulated by SEBI | Data entry | Data entry | Data entry | Data entry | Data entry | Data entry | Auto display |
| 33 | Category (v) (d)Units of Infrastructure Investment Trusts regulated by SEBI | Data entry | Data entry | Data entry | Data entry | Data entry | Data entry | Auto display |
| 34 | Total investments | sum | sum | sum | sum | sum | sum | sum |

Two more hyperlinks from the Part E

- 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 | | |
|-------------------|---|---------------------|---|
| CLAIMS | | | |
| 1 | Opening Balance of Claims | One time data entry | |
| 2 | Claims received in the month | Data entry | |
| 3 | Total claims workload in the month | Display | 1plus 2 |
| 4 | Claims disposed within 20 days | Data entry | |
| 5 | % of claims settled in the month within 20 days | Display | 4 *100/3 |
| 6 | Claims disposed beyond 20 days | Data entry | |
| 7 | % of claims settled in the month beyond 20 days | Display | 6*100/3 |
| 8 | No of claims pending | Display | 3 - 4 - 6 Will carry as OB to next month |
| 9 | % of claims pending | | 8*100/3 |
| 10 | Reasons for pending claims | Data entry | |
| GRIEVANCES | | | |
| 11 | Opening balance | One time data entry | |
| 12 | Grievances received in the month | Data entry | |
| 13 | Net workload | Display | 11 plus 12 |
| 14 | Grievances disposed | Data entry | |
| 15 | % of grievances disposed | Display | 14*100/13 |
| 16 | Closing balance | Display | Will carry as OB to next month |
| 17 | % of Grievances pending | Display | 16*100/13 |

Part F –ANNUAL INFORMATION (HOLDING) (YEARLY PART BY PARENT TRUST ONLY)

| Sl. no | Field Name | Field Type | Remarks |
|---|---|-------------------------|---------------------------|
| I AUDIT OF ACCOUNTS | | | |
| A | Financial Year upto which accounts audited | Selection | Financial Year |
| B | Name & Address of the Auditor for last Six Years | Year | Entry of previous 6 Years |
| | | Name | |
| | | Address | |
| | | CAs Registration Number | |
| C | Whether copy of the latest Audit Report Sent to the RPFC | Selection | Yes/No |
| D | If Yes | Year | Data Entry |
| | | Sent vide letter No | |
| | | Latter date | |
| | | Date of Receipt BY RPFC | |
| II. Details of Annual Statement of account | | | |
| E | Annual Statement of account issued upto | Data Entry | |
| F | No. of contributing members | Data Entry | |
| | Closing Balance Amount Giving Contributory members | | |
| G | No. of Non Distribution Members | Data Entry | |
| | Closing Balance Amount Giving Non Contributory members | | |
| H | Amount available for Distribution of interest | Data Entry | |
| I | Rate of interest declared and credited | Data Entry | |
| J | Whether the deficiency in interest was made good by the employer? | Selection | |

| | | | |
|--|---|------------|--|
| K | Whether the interest is on monthly accrual of balance | Selection | |
| L | Whether the accounts are being mainlined electronically | Selection | |
| M | Whether the member are able to see their Account Balance | Selection | |
| N | Whether the rules of the fund are displayed on a notice board | Selection | |
| III. Financial Health of the Holdings | | | |
| O | Total Holding of the trust at the end of Financial Year | Data Entry | |
| P | Market value of the holding of trust at the end of financial Year | Data Entry | |
| IV. Amortization Account of the trust | | | |
| Q | Opening Balance | | |
| | Addition/Reduction during the year | | |
| | Closing balance | | |
| | #Reduction to be entered in (-) | | |
| V. Maturity In Defaults | | | |
| 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 | |
| | Total | =(e-f) | |
| Vi. Interest In Defaults | | | |
| 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 | |
| | Total | =(c-d) | |



REPORT FORMAT FOR THE FINDINGS OF COMPLIANCE AUDIT

Standard Forms and Operating Procedures

Abstract

This document is a compilation of information, checklists and forms that need to be referred to and used for findings of Compliance Audit.

Issued by Exemption Division

Contents

FORM RM - 2..... 2

ANNEXURE –I..... 2

REPORT OF THE FINDINGS OF COMPLIANCE AUDIT 2

1.1 DETAILS OF THE ESTABLISHMENT 2

1.2 THE INSTANCES OF VIOLATIONS/DISCREPANCIES BE NOTED CLAEARLY FOR NECESSARY ACTION 2

1.2.1 REMITTANCES & RETURNS 2

1.2.2 CLAIM SETTLEMENTS & ACCOUNT SLIPS & GRIEVANCES..... 4

1.2.3 ENROLMENT & CONDITIONS..... 5

1.2.4 RATE OF INTEREST..... 6

1.2.5 INVESTMENTS 7

1.2.6 AUDIT OF ACCOUNTS..... 9

1.2.7 OTHER BENEFITS..... 10

1.2.8 EDLI SCHEME COMPLIANCE 10

1.2.8 MISCELLANEOUS IMPORTANT COMPLIANCE..... 11



FORM RM - 2

ANNEXURE –I

REPORT OF THE FINDINGS OF COMPLIANCE AUDIT

1.1 DETAILS OF THE ESTABLISHMENT

- a. Name of the establishment: -
- b. P.F. Code no of the establishment: -
- c. Date of audit:
- d. Period up to which audit carried out: Up to _____
- e. Date of coverage:
- f. Names, addresses of braches/ departments:
- g. Whether relaxation has been granted by the commissioner in terms of para 79 of the Scheme:
- h. Whether granted exemption under Section 17(1) (a), 17(1) (b), para 27,27A.
- i. If exempted u/p 27, the employment strength of the establishment and the total no. of employees exempted:
- j. If exempted u/p 27A, the class of employees exempted and total no.:
- k. 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

| S.No. | Condition to be checked | Whether met (Y/N) | Action to be taken |
|-------|--|-------------------|--------------------|
| 1 | Whether the contribution payable at the rate prescribed under the Act are transferred to the Board of Trustees by the employer by 15 th of each month following the month for | | |

| S.No. | Condition to be checked | Whether met (Y/N) | Action to be taken |
|-------|---|-------------------|--|
| | which the contributions are payable. | | |
| 2 | Whether contribution to EPS dues have been deposited by 15 th of each month? | | In case of default furnish month-wise details |
| 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 | <p>Verification of the rejected/ returned claims</p> <ul style="list-style-type: none"> • 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 |

| S.No. | Condition to be checked | Whether met (Y/N) | Action to be taken |
|-------|---|-------------------|---|
| 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

| S.No. | Condition to be checked | Whether met (Y/N) | Action to be taken |
|-------|---|-------------------|---|
| 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 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 |

| S.No. | Condition to be checked | Whether met (Y/N) | Action to be taken |
|-------|---|-------------------|--|
| | | | 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 <ul style="list-style-type: none"> 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

| S. No. | Name of the Contractor | PF Code No. | No. of employees engaged through the contractor | Office of EPFO where compliance is being reported | Compliance made up to |
|--------|------------------------|-------------|---|---|-----------------------|
| 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 |

1.2.5 INVESTMENTS

- a. 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 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% | |
| Asset Backed, Trust Structured and Miscellaneous Investments. | | Upto 5% | |

| S.No. | Condition to be checked | Whether met (Y/N) | Action to be taken |
|-------|--|-------------------|--------------------|
| 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.? | | |

| S.No. | Condition to be checked | Whether met (Y/N) | Action to be taken |
|-------|--|-------------------|--------------------|
| 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 RPFCC? | | |
| 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 RPFCCs 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

| S.No. | Condition to be checked | Whether met (Y/N) | Action to be taken |
|-------|---|-------------------|---|
| 1 | 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. |
| 2 | 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? | | |
| 3 | 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? | | |
| 4 | 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 ? | | |
| 5 | Whether the establishment is registered with BIFR ? | | |
| 6 | 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. |
| 7 | 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. |
| 8 | 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 |

| S.No. | Condition to be checked | Whether met (Y/N) | Action to be taken |
|-------|--|-------------------|---|
| | | | and date of credit in the trust account to be collected |
| 9 | 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

| S.No. | Condition to be checked | Whether met (Y/N) | Action to be taken |
|-------|--|-------------------|---------------------|
| 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

| S.No. | Condition to be checked | Whether met (Y/N) | Action to be taken |
|-------|---|-------------------|--|
| 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 |

| S.No. | Condition to be checked | Whether met (Y/N) | Action to be taken |
|-------|---|-------------------|--|
| 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. |

1.2.8 MISCELLANEOUS IMPORTANT COMPLIANCE

- a. Whether Board of Trustees has been duly reconstituted under the chairmanship of the employer? If so when?
- b. 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 |
| | | | | | | | |

- c. 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)

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 |

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

SUMMARISED INFORMATION REGARDING EXEMPTED ESTABLISHMENTS

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 |

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

Annexure - I

| Sl. No. | Circular No. | Dated | Circular subject | Para Number of circular | Para number of circular para is referenced | Whether SOP same, modified, deleted | Justification for modification | Any reference (Section) | Any reference of scheme (para) | Any reference of MAP |
|---------|---|------------|---|-------------------------|--|-------------------------------------|--|-------------------------|--------------------------------|----------------------|
| 1 | C-Ex/Misc/Comp.Audit/2009/425670 | 18.10.2010 | Compliance Audit of exempted establishments | Total | 5 and 6 | same | | | | |
| 2 | C-Ex/Misc/Comp. Audit/2009/31241 | 10.11.2011 | Proforma of Compliance Audit | Total | 5 and 6 | modified | The latest investment pattern has been mentioned in the Compliance Audit proforma. | | | |
| 3 | 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 RPFC | Total | 5 and 6 | same | | | | |
| 4 | HO/IMC/198/APFET/2015/19966 | 31.12.2015 | Accounting Policy and method of accounting for equity and related investment | | | | | | | |
| 5 | Exem/10(16)2016/28265 | 01.02.2017 | Guidelines for levy of surcharge | Total | 6 | same | | | | |
| 6 | Exem/10(20)2016/Standing Committee/ 7963 | 26.07.2017 | Conducting of Compliance Audit of All Exempted Establishments till Financial Year 2016-17 | Total | 5 and 6 | same | | | | |
| 7 | 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 | same | | | | |
| 8 | Exem/10(20)/2016/VOL.III/10735 | 29.09.2017 | Zonal ACC to review the performance of online returns | Total | 6 | modified | | | | |
| 9 | Exem/10(20)/2016/Vol. III/14471 | 09.10.2017 | Issuance of Show Cause Notice to establishments not filing online returns. | Total | 6 | same | | | | |
| 10 | 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 | 6 | same | | | | |
| 11 | C-Ex/Misc/Comp. Audit/2015/19761 | 05.12.2017 | Conducting Compliance Audit every year | Total | 6 | same | | | | |
| 12 | C-Misc./Ex - Return/2013/Vol-II/905-910 | 09.04.2018 | Parameters to evaluate performance of exempted establishments in respect of filing of online returns. | Total | 5 and 6 | same | | | | |

| | | | | | | | | | | |
|----|---|------------|--|-------|---------|------|--|--|--|--|
| 13 | 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 | 5 and 6 | same | | | | |
|----|---|------------|--|-------|---------|------|--|--|--|--|

Annexure - I

| Sl. No. | Circular No. | Dated | Circular subject | Para Number of circular | Para number of SOP where circular para is referenced | Whether SOP same, modified, deleted | Justification for modification | Any reference of Act (Section) | Any reference of scheme (para) | Any reference of MAP |
|---------|---|------------|---|-------------------------|--|-------------------------------------|--|--------------------------------|--------------------------------|----------------------|
| 1 | C-Ex/Misc/Comp.Audit 2009/425670 | 18.10.2010 | Compliance Audit of exempted establishments | Total | 5 and 6 | same | | | | |
| 2 | C-Ex/Misc/Comp. Audit/2009/31241 | 10.11.2011 | Proforma of Compliance Audit | Total | 5 and 6 | modified | The latest investment pattern has been mentioned in the Compliance Audit proforma. | | | |
| 3 | 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 RPFC | Total | 5 and 6 | same | | | | |
| 4 | HO/IMC/198/APFETF/2015/19966 | 31.12.2015 | Accounting Policy and method of accounting for equity and related investment | | | | | | | |
| 5 | Exem/10(16)2016/28265 | 01.02.2017 | Gudielines for levy of surcharge | Total | 6 | same | | | | |
| 6 | Exem/10(20)2016/Standing Committee/ 7963 | 26.07.2017 | Conducting of Compliance Audit of All Exempted Establishments till Financial Year 2016-17 | Total | 5 and 6 | same | | | | |
| 7 | 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 | same | | | | |
| 8 | Exem/10(20)/2016/VOL.III/10735 | 29.09.2017 | Zonal ACC to review the performance of online returns | Total | 6 | modified | | | | |
| 9 | Exem/10(20)/2016/Vol. III/14471 | 09.10.2017 | Issuance of Show Cause Notice to establishments not filing online returns. | Total | 6 | same | | | | |
| 10 | 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 | 6 | same | | | | |
| 11 | C-Ex/Misc/Comp. Audit/2015/19761 | 05.12.2017 | Conducting Compliance Audit every year | Total | 6 | same | | | | |
| 12 | 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 | 5 and 6 | same | | | | |

| | | | | | | | | | | |
|----|---|------------|--|-------|---------|------|--|--|--|--|
| 13 | 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 | 5 and 6 | same | | | | |
|----|---|------------|--|-------|---------|------|--|--|--|--|