

Press Note

EPFO files prosecution against five defaulting establishments

The Regional office, Ahmedabad of Employees Provident Fund Organization (EPFO) has filed prosecution against five defaulting establishments for non-compliance of statutory provisions of the EPF scheme. The action followed as the said establishments failed to seed bank account details of EPF members, a mandatory requirement of KYC seeding of Universal Account Number (UAN). The establishment against which prosecution has been filed include M/s Jay Mataji Stitching Works Sanand, Shree Gajanand Labour Contractor Bavla, M/s AFCONS Infrastructure Limited Ahmedabad, M/s. Bodal Chemicals Ltd, Vatwa and M/s. Balkrishna Textile Pvt. Ltd, Narol.

Universal Account Number (UAN) was launched by EPFO in order to provide better facilities to EPF members, and establishments were directed to seed KYC details of members in order to operationalize UAN. On 16th September, 2014, Central Government had issued direction under Para 78(1) of the EPF Scheme, 1952 making submission of Bank Accounts of the members **mandatory** in order to facilitate the allotment of Universal Account Number, proper implementation of the EPF Scheme and removal of the difficulties in the matter of payment of accumulations. Accordingly, the Central P.F. Commissioner, New Delhi in exercise of powers conferred under Para 78(3) of EPF Scheme, 1952, issued order making submission of bank account details of members compulsory and to implement the directions by October 15, 2014.

Sh. D. Remmei, Regional PF commissioner while confirming the development, told that every employer would have to provide core banking account number with IFSC code of the bank branch in respect of every new member on joining the fund. The employer was also required to furnish the information in respect of existing member by 15th Oct and in respect of previous members under its employment by October 31, 2014.

Sh. Remmei further added that even after repeated reminders through emails, SMSes and phone calls by office and continuous visits by field officers, some establishments failed to comply with the directions. In view of non-compliance of above mentioned directives, prosecution has been filed under Section 14 AC of EPF &MP Act. EPFO would be initiating prosecution against other defaulting establishments in due course.