



**दक्षिण रेलवे/SOUTHERN RAILWAY**

No.P(R)410/LL&IR

प्रधानकार्यालय/ Headquarters Office  
कार्मिक शाखा/ Personnel Branch  
चेन्नै/Chennai - 600 003  
दि./ Dated: 14-01-2015

**पी बी सी सं/ PBC No: 223 / 2014**

All PHODs / DRMs / CWMs / CEWE / CAO / CPM / Dy.CPOs / Sr.DPOs /  
DPOs / SPOs / WPOs / APOs of HQ / Divisions / Wokshops / other Units, etc.,  
(As per mailing list -'A' )

विषय/Sub: Applicability of the provisions of EPF Act, 1952 to Contract  
Labourers

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A copy of Railway Board's letter No.2014/E(LL) AT/EPF/1  
dt.23-12-2014 on the above subject is enclosed for information, guidance and  
necessary action.

Railway Board's letter dated 14-12-2012 referred therein is enclosed for  
reference.

(V.SRINIVASAN)

वरिष्ठ कार्मिक अधिकारी/नियम  
Senior Personnel Officer/Rules  
कृते मुख्य कार्मिक अधिकारी  
For Chief Personnel Officer

संलग्न/Encl: as above

प्रतिलिपि/Copy to : The Genl Secy / SRMU  
The Genl Secy / AISCSTREA  
The Genl Secy / AIOBCREA

The Genl Secy / NFIR

भारत सरकार GOVERNMENT OF INDIA

रेल मंत्रालय MINISTRY OF RAILWAYS

GENERAL MANAGER'S OFFICE  
(रेलवे बोर्ड RAILWAY BOARD)

26 DEC 2014

दक्षिण रेलवे/Southern Railway

चेन्ने/Chennai

No. 2014/E (LL) AT/EPF/ 1

New Delhi, dated 23.12.2014

The GMs, Zonal Railways & Production Units,  
The Principal, RSC, Vadodra  
The CAO, COFMOW/New Delhi  
The Director, CAMTECH/Gwalior, IRICEN/Pune, IRIEEN/Nasik Road,  
IRIMEE/Jamalpur, IRISSET/Secunderabad  
The Managing Director, RITES, IRCON, IRFC, CONCOR of India  
Limited, CRIS, KRC, IRCTC, DDFCL,  
Office of the Chief Project Administrator (Telecom), Indian Railway  
Central Organization for Telecom (IRCOT) Consultancy, Shivaji  
Bridge/New Delhi.

Sub: Applicability of the provisions of EPF Act, 1952 to contract  
Labourers

Ref:- Board's letter No.2012/CE./CT/O/22 dated 14.12.2012.

A copy of letter received from Regional PF Commissioner, Delhi  
(North), Employees Provident Fund organization Ministry of Labour &  
Employment is sent herewith for strict compliance.

Please acknowledge receipt.

(Ashutosh Garg)

Dy. Director Estt.(LL)

DA As above.



फ़ोन/Telephone: 011 27376392

फैक्स /Fax: 011 27376779

Email:-

Website:-

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

(क्षेत्रीय कार्यालय, दिल्ली (उत्तर) /Regional Office Delhi-North)

ए.पी.एफ. विधि भवन, 16, साम्प्रदायिक केंद्र, वजीरपुर औद्योगिक क्षेत्र, नई दिल्ली -110042  
16, Delhi-110062

Chairman, Rail Board,  
Ministry of Railways  
Railway Bhawan, N Delhi -110001.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**All Principal employer/Government Departments /Agencies must ensure full compliance about above legal provisions otherwise this office will be forced to take statutory actions against defaulting principal employers. In case of any clarification either the undersigned or RPF (Compliance & Recovery) (Tel. No. 011-27376408) may be contacted.**

Yours faithfully,

[Dr. V.P. Singh]

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



भारत सरकार Government Of India  
रेल मंत्रालय Ministry Of Railways  
(रेलवे बोर्ड) (Railway Board)

No. 2012/CE-I/CT/O/22

New Delhi, Dated 14.12.2012

Addressed To :  
(As per Mailing List 'A' Attached).

**Sub :** Application of the provisions of "Employees Provident Fund & Miscellaneous Provisions Act, 1952"; "Employees' Pension Scheme, 1995" and "Employees Deposit Linked Insurance Scheme, 1976" to Railways' contracts.


1. Employees' Provident Fund & Miscellaneous Provisions Act, 1952 (hereinafter called the 'Act') was enacted as a measure of social welfare legislation.
2. The Contractors engaged in various contracts deploying workers across Indian Railways come under the purview of the Act. As per Section 1(3), read with Section 16 of the Act, being the principal employer, even though Indian Railways are not covered under the Act, the Contractors working with Indian Railways are covered under the provisions of the Act. The relevant provisions of the EPF Act and its Scheme on liabilities and duties of the principal employer are enclosed as Annexure-II.
3. With a view for enabling Railways in implementation of the provisions of the Act, Ministry of Railways have decided that the following contents shall be added as Clause 55-B to the General Conditions of Contract, as per Addendum & Corrigendum Slip (ACS) enclosed as Annexure-I :

**"Clause 55-B to GCC : Provisions of Employees Provident Fund and Miscellaneous Provisions Act, 1952 :**

The Contractor shall comply with the provisions of Para 30 and 36-B of the Employees Provident Fund Scheme, 1952; Para 3 and 4 of Employees' Pension Scheme, 1995; and Para 7 and 8 of Employees Deposit Linked Insurance Scheme, 1976; as modified from time to time, wherever applicable and shall also indemnify the Railway from and against any claims under the aforesaid Act and the Rules".

4. This issues with the concurrence of the Finance Directorate of Ministry of Railways.  
Please acknowledge receipt.

संलग्नक/उपरोक्तानुसार

  
(आलोक कुमार)

कार्यकारी निदेशक/सिविल इंजीनियरिंग(जी)/रेलवे बोर्ड

No. 2012/CE-I/CT/O/22

New Delhi, Dated 14.12.2012

Copy forwarded for information to :

1. The FA&CAOs, All Indian Railways.
2. The Deputy Comptroller & Audit General of India (Railways), Room No. 224, Rail Bhawan, New Delhi.

  
For Financial Commissioner/ Railways



भारत सरकार Government Of India  
रेल मंत्रालय Ministry Of Railways  
(रेलवे बोर्ड) (Railway Board)

**Addendum & Corrigendum Slip (ACS) to General Conditions of Contract**

{Ref : Railway Board's letter no. 2012/CE-I/CT/O/22, dated 14.12.2012}

**"Clause 55-B to GCC : Provisions of Employees Provident Fund and Miscellaneous Provisions Act, 1952 :**

The Contractor shall comply with the provisions of Para 30 & 36-B of the Employees Provident Fund Scheme, 1952; Para 3 & 4 of Employees' Pension Scheme, 1995; and Para 7 & 8 of Employees Deposit Linked Insurance Scheme, 1976; as modified from time to time through enactment of "Employees Provident Fund & Miscellaneous Provisions Act, 1952, wherever applicable and shall also indemnify the Railway from and against any claims under the aforesaid Act and the Rules".

Employees' Provident Fund Scheme, 1952 :

**30. Payment Of Contributions :**

- (1) The employer shall, in the first instance, pay both the contribution payable by himself (in this Scheme referred to as the employer's contribution) and also, on behalf of the member employed by him directly or by or through a contractor, the contribution payable by such member (in this Scheme referred to as the member's contribution).
- (2) In respect of employees employed by or through a contractor, the contractor shall recover the contribution payable by such employee (in this Scheme referred to as the member's contribution) and shall pay to the principal employer the amount of member's contribution so deducted together with an equal amount of contribution (in this Scheme referred to as the employer's contribution) and also administrative charges.
- (3) It shall be the responsibility of the principal employer to pay both the contribution payable by himself in respect of the employees directly employed by him and also in respect of the employees employed by or through a contractor and also administrative charges.

**(Explanation :** For the purposes of this paragraph, the expression "administrative charges" means such percentage of the pay (basic wages, dearness allowance, retaining allowance, if any, and cash value of food concessions admissible thereon) for the time being payable to the employees other than an excluded employee, and in respect of which Provident Fund Contribution are payable as the Central Government may, in consultation with the Central Board and having regard to the resources of the Fund for meeting its normal administrative expenses fix.)

**36-B. Duties of Contractors :**

Every contractor shall, within seven days of the close of every month, submit to the principal employer a statement showing the recoveries of contributions in respect of employees employed by or through him and shall also furnish to him such information as the principal employer is required to furnish under the provisions of the Scheme to the Commissioner.

Employees' Pension Scheme, 1995 :

**Para 3(1) :** From and out of the contributions payable by the employer in each month under Section 6 of the "Act" or under the rules of the Provident Fund of the establishment which is exempted either under clauses (a) and (b) of sub-section (1) of Section 17 of the Act or whose employees are exempted under either paragraph 27 or paragraph 27-A of the Employees' Provident Fund Scheme, 1952, a part of contribution representing 8.33 per cent of the Employee's pay shall be remitted by the employer to the Employees' Pension fund within 15 days of the close of every month by a separate bank draft or cheque on account of the Employees' Pension Fund contribution in such manner as may be specified in this behalf by the Commissioner. The cost of the remittance, if any, shall be borne by the employer.

**Para 3(2) :** The Central Government shall also contribute at the rate of 1.16 per cent of the pay of the members of the Employees' Pension Scheme and credit the contribution to the Employees' Pension Fund :

Provided that where the pay of the member exceeds Rs. 6,500 (Rupees Six thousand and five hundred) per month, the contribution payable by the employer and the Central Government be limited to the amount payable on his pay of Rs. 6,500 (Rupees Six thousand and five hundred) only.

**Para 4 : Payment of Contribution :**

- (1) The employer shall pay the contribution payable to the Employees' Pension Fund in respect of each member employed by him directly or by or through a contractor.
- (2) It shall be the responsibility of the principal employer to pay the contributions payable to the Employees' Pension Fund by himself in respect of the employees directly employed by him and also in respect of the employees employed by or through a contractor.

**Employees' Deposit Linked Insurance Scheme, 1976 :**

**Para 7 : Contribution :**

- (1) The contribution payable by the employer and the Central Government under sub-section (2) and sub-section (3) of Section 6-C of the Act, shall be calculated on the basis of the basic wages, dearness allowance (including the cash value of any food concession) and retaining allowance, if any, actually drawn during the whole month whether paid on daily, weekly, fortnightly or monthly basis.

Provided that where the monthly pay of an employee exceeds six thousand five hundred rupees, the contribution payable in respect of him by the employer and the Central Government shall be limited to the amounts payable on a monthly pay of six thousand five hundred rupees including dearness allowance, retaining allowance (if any) and cash value of food concession.

**Para 8 : Mode of Payment of Contribution :**

- (1) The contribution by the employer shall be remitted by him together with administrative charges at such rate as the Central Government may fix from time to time under sub-section 4 of Section 6-C of the Act, to the Insurance Fund within fifteen days of the close of every month by a separate bank draft or cheque or by remittance in cash in such manner as may be specified in this behalf by the Commissioner. The cost of remittance, if any, shall be borne by the employer.
- (2) It shall be the responsibility of the employer to pay the contribution payable by himself in respect of the employees directly employed by him and also in respect of the employees employed by or through a contractor.

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