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**Central Analysis & Intelligence Unit**  
(CAIU)

Ref. No. CAIU/056/V-III/2023/2291

Dated: 01 DEC 2023

To,

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

**Subject: Frequently Ask Questions (FAQ's) on SOP for Inspection of Establishments and related Circulars - Regarding.**

Sir/Madam,

May refer to the subject cited above. A set of probable Frequently Asked Questions (FAQs) on SOP for Inspection of Establishments & related Circulars has been prepared for ready reference of the Zonal and Field Offices.

It is noteworthy that the above FAQ's are illustrative and not exhaustive. Field Offices may forward their suggestions/inputs, through their respective Zonal Office, for further improvement at the end of CAIU, Head Office.

Yours faithfully,

(Abhay Ranjan)

Additional Central P.F. Commissioner

Encl: As above

Copy for information to:

1. PS to CPFC
2. PS to FA & CAO/All ACC(HQ)s at Head Office/ CVO
3. PS to All ACCs at Head Office
4. Director, PDUNASS/RPFCs in-charge of ZTI's
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# Frequently Asked Questions (FAQs) on SOP for Inspection of Establishments and related Circulars

## Reference Circulars/Letters:

- 1) HO letter No. CAIU/SOP/2022/17206 dated 21.03.2023
- 2) HO Circular No. CAIU/SOP/2022/(E-47416)/2818 dated 31.07.2023
- 3) HO Circular No. CAIU/SOP/2022/40 dated 04/09/2023

### 1. What is the sequence in which Periodic Desk Review (PDR) of establishments is to be conducted?

**Ans.** Each field office will undertake Desk Review with the following selection-cum-prioritization criteria:

- a. All establishments starting from Oldest Registration Code (*Establishment Master sorted in ascending order of Establishment PF Code*).
- b. In all cases where Physical Inspection is assigned.

PDR has to be completed before Start Date of Inspection in all cases where Physical Inspection is assigned to Enforcement Officer. Enforcement Officer has to refer the PDR Report before proceeding for Inspection.

### 2. What are the targets for Periodic Desk Review (PDR)?

**Ans.** Each Field Office shall undertake Desk review of all the establishments (*which are not marked as closed*) within its jurisdiction atleast once a year. The OIC shall assign PDR work in such a manner that the above target is met.

Further, each SSA/SSSA entrusted with the task shall complete PDR in respect of atleast 40 establishments per month.

### 3. Process and time-period of Nudging?

**Ans.** Nudging is to be carried out in the following manner:

- A. **By IS Division:** In respect of ECR based defaulting establishments identified on the basis of priority matrix, centralised nudging will be done by **IS division** for a period of 3 months.
- B. **By Regional/District Offices:** Nudging is to be conducted by the **Field Offices** in respect of cases where, after conduct of Periodic Desk Review, it is deemed fit by the RPFC-I/OIC that Physical Inspection of an establishment is to be carried out. The nudging is to be done by the Field office as per guidelines issued vide HO Circular No. CAIU/SOP/2022/40 dated 04.09.2023. Such nudging will be for a period of 3 months.

### 4. What will be the content of Nudging emails/sms/letters to be sent by the Regional Offices?

**Ans.** Annexure-B of the approved SOP for Inspection of Establishments contains samples of sms/emails to be sent during the centralised nudging process. Similar formats for nudging, *mutatis mutandis*, can be utilised by the Regional Offices for nudging based on observations made during PDR.

The content of the sms/emails/letters to be sent to the establishment/ employer shall clearly mention the observations/ discrepancies noted during the Periodic Desk Review.

**5. In what circumstances physical letters are to be sent during Nudging?**

**Ans.** Nudging email/sms is to be sent invariably via official email/number of the Regional Office and on the registered email/mobile number of the establishment and the owner.

Only in cases where the registered email/mobile number is not available or the email/sms is returned as undelivered, physical letters should be sent to the establishment. The aim of nudging process is to nudge the employers towards compliant behaviour. Therefore, the letters sent for the purpose of nudging should **not** be of the nature of Show Cause Notices.

**6. What tasks are to be ensured in respect of closed establishments?**

**Ans.** In respect of cases where the establishment has reported closure and furnished relevant proof of closure, the establishment shall be marked "Closed" in Unified Portal after verifying the enclosed proofs and ensuring the following:

- i. Date of Exit in respect of all employees should be marked by employer in the portal in accordance with para 36(2) (b) of the EPF Scheme, 1952.
- ii. Contribution/NCP days up to the "Date of Exit" should be updated by employer in the portal.

If required, permission for Physical Inspection may be obtained through CAIU Optional Inspection Dashboard. In respect of the permissions accorded by ZO, the Regional Head has to assign the inspection to Inspector on Shram Suvidha Portal without going through nudging phase.

**7. What associated activities are to be carried out during PDR mandatorily?**

**Ans.** During PDR, the associated activities that are to be undertaken mandatorily are as follows:

- a. Data Cleaning.
- b. Marking correct activity status of the establishment.
- c. Correction of establishment details (PAN, address, ownership, etc.)
- d. Updation/Collection of Form 5A, DSC/e-sign, etc.
- e. Correction of Coverage Section (*in respect of establishments who have registered themselves u/s 1(4) but have submitted returns and/or contribution for 20 or more employees in any given month; and/or other cases where correction in Coverage Section is necessitated*)

**8. What is hybrid mode of implementation of SOP for Inspection of Establishments?**

**Ans.** IT tools for implementation of the SOP for Inspections of establishments are still under development at IS Division. Vide HO Circular No. CAIU/SOP/2022/(E-47416)/2818 dated 31.07.2023, the SOP has been implemented in hybrid mode which combines use of existing IT tools along with manual processes.

**9. What is the Priority Matrix?**

**Ans.** The parameters for identification and prioritization of defaulting establishments for physical inspection will be as per the inspection scheme of EPFO. However, since defaulting establishments are much larger in numbers within those parameters, a 'Priority Matrix' has been decided on the basis of a mathematical formula by committee of CAIU, HO.

**10. What is the Time-limit for submitting Inspection Report by the Inspector?**

**Ans.** Once inspection is assigned, inspector should complete the inspection within 5 working days from the start date of inspection and upload its report within 48 hours on SSP.

**11. Maximum pendency with an Inspector?**

**Ans.** No Inspector should have more than TWO inspections pending on SSP at any point of time. Before assigning new inspection, disposal of already assigned inspection is must in such a way that pending inspection should NOT go beyond TWO for any Inspector. (refer HO Circular No. CAIU/SOP/2022/40 dated 04.09.2023)

**12. What is the frequency of inspection?**

**Ans.** Normally an establishment may be selected for inspection once in a year.

**13. In which format is the Inspection Report to be submitted by the Inspecting Official?**

**Ans.** The Inspecting Official shall submit his report in the format given as Annexure-C (Inspection Report Format) to the SOP for Inspection of Establishments.

**14. What types of Cases are exempted from CAIU permission as well as nudging?**

**Ans.** Inspections falling under the following categories are exempted from CAIU permission as well as nudging (refer HO Circular No. CAIU/SOP/2022/40 dated 04.09.2023).

- i. Establishment undergoing process of Liquidation/Resolution under NCLT.

- ii. Occurrence of an Industrial Accident involving an establishment or its employees.
- iii. Any specific case assigned by CAIU, Head Office based upon intelligence inputs/ recommendation by Field Office through ZO.

Regional Head may assign inspection in respect of these establishments on Shram Suvidha Portal with clear reasons to be mentioned under "Remarks" while assignment of such inspection.

However, PDR is to be completed on priority for such cases.

**15. In what type of cases no nudging is to take place but permission is required from CAIU?**

**Ans.** Such cases are summarised as under (refer HO Circular No. CAIU/SOP/2022/40 dated 04.09.2023):

- i. VIP/Complaint cases (refer Para 6.3B of SOP)
- ii. Cases for processing of coverage u/s 1(4): only collection and verification of documents is to be carried out for the purpose of notification of establishment u/s 1(4) of the Act. In case the establishment is found under coverable u/s 1(3) of the Act, report shall be submitted accordingly along with necessary documents.
- iii. Cases for processing exemption under provisions of the Act and Scheme.
- iv. Establishment reported for closure (only in respect of closure cases where Inspection is required)

However, PDR is to be completed on priority for such cases.

**16. Whether Field Offices can still allot inspections through Category A/B lists of defaulting establishments?**

**Ans. No.**

Circular No. CAIU/011(5)2016/Inspection/20509 dated 27/02/2018 has been superseded as per circular dated 31.07.2023. Hence, No inspections shall be assigned from category A or B defaulter list.

**17. When will defaulting establishments in ECR category be deployed on SSP?**

**Ans.** Currently nudging phase is in process for the defaulting establishments as per Priority Matrix. The nudging phase shall be operational for a period of 3 months for each wage month cycle.

After the nudging phase of 3 months ends, the list of remaining defaulters in ECR category will be deployed on SSP by the Head Office as per the Priority Matrix. The field offices will thereafter be able to generate Inspections from such lists deployed on SSP.

**18. How to generate Inspection?**

**Ans.** On every first working day of the week, Regional Head (on SSP) will identify number of Inspectors available for Inspections that week. Regional Head will thereafter select this number on SSP, which in turn will generate the list of establishments for Inspections. The establishments which will be fetched on SSP will be on a random basis out of the list of remaining defaulters deployed on SSP by CAIU (HO).

These establishments will then be allocated one each to the available Enforcement officers by the Regional Head. Wherever necessary, Regional Head may allot it to a Squad also.

**19. Periodic Desk Review (PDR) in case of Inspections assigned in ECR Category?**

**Ans.** The PDR of such establishments where Physical Inspection is assigned on SSP shall be ensured on priority by the Field Office before the "Start Date of inspection". The Enforcement Officer has to refer the PDR Report before proceeding for Inspection.

**20. What are the guidelines regarding Coverage of such establishments which are coverable under the Act but have not registered themselves for Coverage?**

**Ans.** The guidelines regarding Coverage of establishments who, despite being coverable under the Act, have not registered themselves for Coverage are governed by Para (3) of HO Circular No. CAIU/011(72)2016/Shram Suvidha Portal/2566 dated 03/05/2018:

*"(3) If any information is made available to the RPFC-in-charge of the office that a particular establishment has not registered itself for coverage under the EPF & MP Act, 1952 despite being coverable under the Act, the RPFC-in-charge should take initiatives to contact and persuade such establishment for registration through Shram Suvidha Portal. If such establishment is not coming forward for coverage under this Act on its own in spite of persuasion made by the office, permission from CAIU, Head Office should be obtained and then the Enforcement Officer may be deputed to verify the records of the establishment and the establishment should be brought under the ambit of the Act from the date of eligibility in order to ensure extension of social security measures to the employees of such establishment."*

Further, as coverage of eligible establishments is a vital work area, the Zonal Offices shall process CAIU permissions in respect of new coverages within 3 working days.

**21. What is Regional Head Role on SSP?**

**Ans.** Regional Head role in SSP is to be assigned to the OIC (in Commissioner Cadre) of the Regional Office/District Office/Special State Office.



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