



स्वातंत्र्याचा अमृत महोत्सव
MAHARASHTRA STATE ELECTRICITY BOARD'S CONTRIBUTORY
PROVIDENT FUND

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Ref. No. D/81

Date:- 20 FEB 2023

CIRCULAR NO:- 227

Sub: Regarding payment of damages u/s 14B and Interest u/s 7Q of the EPF & MP Act 1952 for delay in payment of EPF contribution.

Employees Provident Fund & Miscellaneous Provisions Act is legislation for providing social security to the employees working in any establishment. The Act casts an obligation upon the employer to make the compulsory deduction for provident fund and to deposit in the workers' account in the EPF office.

During the audit conducted by EPFO office, audit queries raised regarding delay in payment of dues towards the Board of Trustees. In compliance with the audit queries, EPFO instructed to recover damages u/s 14B and Interest u/s 7Q of the EPF & MP Act 1952 for delay in payment of EPF contribution.

The employer shall transfer to the Board of Trustees the contributions payable to the provident fund by himself and employees at the rate prescribed under the Act from time to time by the 15th of each month following the month for which the contributions are payable. If failed, the employer shall be liable to pay simple interest in terms of the provisions of section 7Q of the Act for any delay in payment of any dues towards the Board of Trustees.

Section 7Q of the EPF Act reads as under:-

"7Q. The employer shall be liable to pay simple interest at the rate of twelve per cent per annum or at such higher rate as may be specified in the Scheme on any amount due from him under this Act from the date on which the amount has become so due till the date of its actual payment:

Provided that higher rate of interest specified in the Scheme shall not exceed the lending rate of interest charged by any scheduled bank."

An employer is under an obligation to pay the damages for delay in payment of the contribution of Employees' Provident Fund (EPF) of an employee.

Recovery of damages for default in payment of any contribution under section 14B of the EPF Act reads as under:-

"14B. Power to recover damages.—Where an employer makes default in the payment of any contribution to the Fund 3[, the 2[Pension] Fund or the Insurance Fund] or in the transfer of

accumulations required to be transferred by him under sub-section (2) of section 15 4[or sub-section (5) of section 17] or in the payment of any charges payable under any other provision of this Act or of 5[any Scheme or Insurance Scheme] or under any of the conditions specified under section 17, 6[the Central Provident Fund Commissioner or such other officer as may be authorized by the Central Government, by notification in the Official Gazette, in this behalf] may recover 7[from the employer by way of penalty such damages, not exceeding the amount of arrears, as may be specified in the Scheme:

In compliance of audit queries raised by EPFO, it would be relevant and strictly follow the instructions of EPFO to deposit Interest and Damages for delay in payment of dues towards the Board of Trustees.

This is finalize by the CPF Board of Trustee in the 117th Quarterly meeting held on 30/01/2023.



Secretary.

The Board of Trustee.
MSEB's C. P. Fund, Mumbai.
Dharavi, Matunga.