

HR Law Hotline

July 11, 2019

PF JUDGEMENT: WHAT SHOULD EMPLOYERS DO NEXT?

This article was originally published in the 08th July 2019 edition of



It has been over 3 months since the Hon. Supreme Court of India (“SC”) pronounced its landmark judgment on provident fund (“PF”) contributions¹ (“PF Judgment”). It is unfortunate and somewhat ironic that the SC’s attempt to finally clarify and put to rest the “basic wages” conundrum has resulted in considerable confusion and anxiety across all industries. Many employers have been left clueless and are unsure about what actions they need to take basis the PF Judgment.

Soon after the PF Judgment, the Employees’ Provident Fund Organization (“EPFO”) issued a circular on 20 March 2019 advising the PF authorities to utilize the PF Judgment while defending cases and taking necessary action. Adding to the woes of employers, PF Commissioners have started issuing notices to employers making references to the PF Judgment and directing employers to furnish copies of attendance registers and wage registers of employees to determine if there has been any subterfuge of wages. Post-scrutiny of this data, the PF authorities are likely to quantify the liabilities and issue Section 7A notices and initiate proceedings against defaulting employers.

This article lays down some of the proactive steps that employers can consider in light of the PF Judgment and the measures taken by the PF authorities.

The complete article can be viewed [here](#)

– Srinivas Raman & Vikram Shroff

You can direct your queries or comments to the authors

¹The Regional Provident Fund Commissioner (II) West Bengal vs. Vivekananda Vidyamandir and Ors AIR2019SC1240

DISCLAIMER

The contents of this hotline should not be construed as legal opinion. View detailed disclaimer.

This Hotline provides general information existing at the time of preparation. The Hotline is intended as a news update and Nishith Desai Associates neither assumes nor accepts any responsibility for any loss arising to any person acting or refraining from acting as a result of any material contained in this Hotline. It is recommended that professional advice be taken based on the specific facts and circumstances. This Hotline does not substitute the need to refer to the original pronouncements.

This is not a Spam mail. You have received this mail because you have either requested for it or someone must have suggested your name. Since India has no anti-spamming law, we refer to the US directive, which states that a mail cannot be considered Spam if it contains the sender’s contact information, which this mail does. In case this mail doesn’t concern you, please unsubscribe from mailing list.

Research Papers

Compendium of Research Papers

January 11, 2025

FAQs on Setting Up of Offices in India

December 13, 2024

FAQs on Downstream Investment

December 13, 2024

Research Articles

INDIA 2025: The Emerging Powerhouse for Private Equity and M&A Deals

January 15, 2025

Key changes to Model Concession Agreements in the Road Sector

January 03, 2025

The Revolution Realized: Bitcoin’s Triumph

December 05, 2024

Audio

Securities Market Regulator’s Continued Quest Against “Unfiltered” Financial Advice

December 18, 2024

Digital Lending - Part 1 - What’s New with NBFC P2Ps

November 19, 2024

Renewable Roadmap: Budget 2024 and Beyond - Part I

August 26, 2024

NDA Connect

Connect with us at events, conferences and seminars.

NDA Hotline

[Click here to view Hotline archives.](#)

Video

“Investment return is not enough” Nishith Desai with Nikunj Dalmia (ET Now) at FIIB event in Riyadh

October 31, 2024

Analysing SEBI’s Consultation Paper

on Simplification of registration for
FPIs

September 26, 2024

Scope of judicial interference and
inquiry in an application for
appointment of arbitrator under the
(Indian) Arbitration and Conciliation
Act, 1996

September 22, 2024