

XXI. e : GRANT OF INSTALLMENT FACILITY TO THE EMPLOYER

Arrears defined : Where the authorized officer issues a certificate to the Recovery Officer in form C-19 (contribution), C-19(Interest) and D-19(Damages) under his signature specifying the amount to be recovered from the defaulting employer , the same is called "arrears".

21.19 Payment of arrears in installments : As per the combined booklet of delegation of powers 2005, Serial No I/21 , RD's / JD in charge have been delegated powers to sanction payment of arrears in installments subject to the following guidelines :

i) The amount and number of installment may be decided on merit of each case but the total number of monthly installments should not exceed 36 in any case. The employer should be required to furnish Bank Guarantee for the timely payment of monthly installment.

ii) Employer should undertake to pay the current dues of the Corporation within the prescribed time limits

iii) **The Installment facility should be treated as automatically cancelled , if the employer fails to pay monthly installment of arrears within the agreed time limit or current monthly contribution within the prescribed time limit.**

21.20 Hqrs instructions no T-11/13/3/2000-Ins III dtd 3/11/2000 – Grant of installment facility to the employer :

It is being observed that normally at the time of granting installment facility to the employers for payment of contribution in installments, they are not informed that notwithstanding the grant of installment facilities, the employers are liable to pay interest and damages as per the provisions of the Act.

All the Regional Director / Director/Joint Director I/c of ROs/SROs are therefore, requested that while allowing the employers to pay the ESI dues in installments, they should specifically mention that interest as per the provision of Section 39(5)(a) read with Regulation 31-A and Damages as per Section 85B read with Regulation 31 -C are also payable due to the delayed payment of contribution in installments and they may also obtain an undertaking from the employer that he will pay the interest and damages for the delay that would occur due to payment of contribution in installments.