

**CONSOLIDATED ANNUAL ACCOUNTS
WITH AUDIT REPORT
FOR THE YEAR 1987-88**



**OFFICE OF THE
CENTRAL PROVIDENT FUND COMMISSIONER
NEW DELHI**

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1955-56
REVENUE ACCOUNT
1955-56

**INCOME AND EXPENDITURE ACCOUNT
AND
BALANCE SHEET OF
EMPLOYEES' PROVIDENT FUND SCHEME**



EMPLOYEES' PROVIDENT
INCOME AND EXPENDITURE ACCOUNT
(EMPLOYEES' PROVIDENT

Previous Year	S.No.	EXPENDITURE	Amount
(1)	(2)	(3)	(4)
20,80,65,809.70	1	Salaries of Officers & Staff	24,42,18,229.74
3,11,46,948.89	2	Allowances & Honoraria	4,93,58,358.03
84,96,426.09	3	T.A. & L.T.C.	85,16,536.13
1,23,86,224.08	4	Pension/Family Pension/Death Cum-Retirement Gratuity	2,63,90,869.65
-----	5	(a) Staff Provident Fund (Board's share)	-----
1,29,831.00		(b) S.P.F., D.L.I. Benefits	21,302.00
5,30,14,810.22	6	(a) Other charges (Recurring/ non-recurring)	5,43,27,975.57
15,13,409.56		(b) Maintenance of Office Building/ Staff quarters.	15,02,601.96
10,54,687.70	7	(a) Grants	13,93,374.55
4,57,214.94		(b) Refund of G.I.S. Savings Fund	41,513.20
<u>31,62,65,362.18</u>		Total Expenditure incurred on E.P.F. Schemes	<u>38,57,70,760.83</u>
	8	Expenditure incurred on Administration of:	
3,23,81,698.30		(a) F.P.F. Scheme	4,06,83,458.70
69,61,937.34		(b) E.D.L.I. Scheme	96,19,788.76
3,07,131.11		(c) A.E.C.D. Scheme	4,05,031.15
2,71,02,447.76	9	Excess of Income over Expenditure	4,27,41,410.32
<u>38,30,18,576.69</u>		TOTAL:	<u>47,92,20,449.76</u>

FUND ORGANISATION
FOR THE YEAR 1987-88
FUND SCHEME, 1952)

Previous Year	S. No.	INCOME	Sch. No.	Amount
(5)	(6)	(7)	(8)	(9)
31,19,09,854.88	1	Receipt by way of Administrative charges, inspection charges and Penal Damages:	(I)	46,16,05,380.85
2,84,84,592.55	2	Interest earned on Investment of surplus Administration fund		1,26,60,791.58
3,45,63,040.63	3	Receipt from Govt. & other Accounts.	(II)	(-)75,60,846.79
80,61,088.63	4	Miscellaneous Receipts		1,25,15,124.13
-----	5	Excess of Expenditure over Income		-----
38,30,18,576.69		TOTAL:		47,92,20,449.76

INCOME & EXPENDITURE

Previous Year	S.No.	EXPENDITURE	Amount
-----	1	Excess of Expenditure over Income	-----
3,00,00,000.00	2	Provision for Building Construction Fund	5,00,00,000.00
9,86,590.44	3	Provision for Maintenance (Repair, renewal & replace- ment) Fund.	9,97,398.04
-----	4	Balance carried down to Balance Sheet.	-----
3,09,86,590.44		TOTAL:	5,09,97,398.04

APPROPRIATION ACCOUNT

<u>Previous Year</u>	<u>S.No.</u>	<u>INCOME</u>	<u>Amount</u>
2,71,02,447.76	1	Excess of Income over Expenditure	4,27,41,410.32
38,84,142.68	2	Balance carried down to Balance Sheet.	82,55,987.72
3,09,86,590.44		TOTAL:	5,09,97,398.04

Previous Year

Foot Note:

	(i)	The accounts have been compiled on actual basis	
Rs. 96.74 Lakhs	(ii)	Interest earned on investment of Surplus Adm.Fund of previous years included in the current year.	Rs.(-) 66.48 Lakhs
Rs. 57.14 Lakhs	(iii)	Expenditure incurred for Administration of F.P.F.Scheme due from the Government.	Rs. 476.59 Lakhs
Rs. 3.07 Lakhs	(iv)	Expenditure incurred for adm. of A.E.C.D. Scheme	Rs. 4.05 Lakhs
	(v)	Estimated amount in arrear due from the employers but not received.	
Rs.195.22 Lakhs	(a)	Administrative Charges)	Rs. 251.08 Lakhs
	(b)	Inspection Charges)	
Rs. 86.83 Lakhs	(c)	Penal Damages on Adm. Account	Rs. 104.59 Lakhs

Sd/-
(S.P. MEHROTRA).
CENTRAL PROVIDENT FUND COMMISSIONER

**EMPLOYEES' PROVIDENT
BALANCE SHEET AS AT
(EMPLOYEES' PROVIDENT**

Previous Year	S.No.	LIABILITIES	Sch. No.	Amount
4947,00,57,329.20	1	Employees' Provident Fund Account.	III	5907,28,67,119.85
20,38,92,702.21	2	Unclaimed Deposit A/c.	IV	25,82,76,845.43
76,16,06,600.40	3	Forfeiture Account	V	87,30,96,239.36
3,10,00,000.00	4	Special Reserve Fund Account		3,10,00,000.00
26,07,296.05	5	Death Relief Fund Account.	VI	19,73,039.30
	6	Interest Suspense Account		
1172,24,71,922.73	(a)	Balance in the account to be credited to members upto 31.3.87.	VII	1077,33,61,772.94
659,43,66,679.13	(b)	Amount received during the year and to be credited to members account next year.		801,53,04,192.00
7,67,97,702.54	7. (a)	Staff Provident Fund Account.	VIII	9,81,25,503.04
16,11,778.13	(b)	Staff Provident Fund Interest Account	IX	57,047.89
11,91,90,134.30	8	Pension-cum-Gratuity Account(Staff)	X	14,66,09,404.58
49,27,48,990.44	9	Investment Fluctuation Account	XI	50,43,51,990.20
4,37,147.76	10	Security Deposits		4,93,527.01
6947,67,88,282.89		TOTAL C/O		7977,55,16,681.60

FUND ORGANISATION
 31ST MARCH 1988
 FUND SCHEME 1952)

Previous Year	S.No.	ASSETS	Sch. No.	Amount
	1.	<u>Investment Account</u>		
6936,33,31,522.17	(a)	Employees' Provident Fund	XVI	7970,89,68,208.18
7,43,23,828.19	(b)	Staff Provident Fund	XVII	9,34,42,868.64
11,83,98,537.65	(c)	Pension-cum-Gratuity Fund	XVIII	14,44,25,978.45
23,47,78,029.10	(d)	Administration Fund	XIX	31,09,81,029.10
18,93,25,870.56	2	Land and Building		21,49,03,735.00
3,50,48,679.83	3	Recoverable Advance (Staff)	XX	4,71,79,424.54
2,03,10,428.89	4	Special Reserve Fund (Recoverable)		3,20,60,872.84
15,25,203.20	5	Security Deposits (Advance to parties)		15,25,703.20
7003,70,42,099.59		TOTAL C/O		8055,34,87,819.95

Previous Year	S.No.	LIABILITIES	Sch.No.	Amount
6947,67,88,282.89		Total B/F		7977,55,16,681.60
23,56,82,731.58	11	Building Construction Fund	XII	29,24,18,043.39
48,15,456.77	12	Building Maintenance(Re- pair, renewal & replacement) Fund	XIII	64,23,982.73
26,93,91,415.98	13	Revenue Surplus	XIV	26,08,82,480.95
59,94,336.39	14.(a)	Group Insurance Scheme (Old)		57,50,846.06
	(b)	Group Insurance Scheme (New)		13,000.69
26,22,27,254.36	15	Sundry Credits	XV	38,58,48,991.74
7025,48,99,477.97		TOTAL:		8072,68,54,027.16

Previous Year	S.No.	ASSETS	Sch.No.	Amount
7003,70,42,099.59		Total B/F		8055,34,87,819.95
8,37,18,815.08	6	Remittance in Transit	XXI	15,41,67,065.37
22,548.60	7	Cash in hand		17,870.43
2,19,20,729.53	8	Cash at Bank (Both SBI & RBI)	XXII	(-)10,98,29,871.85
11,21,95,285.17	9	Sundry Debits	XXIII	12,90,11,143.26
7025,48,99,477.97		TOTAL:		8072,68,54,027.16

Previous Year

Foot Note:

- (i) The accounts have been compiled on actual basis
- (ii) Estimated amount due from the employers but not received
- Rs. 7197.00 Lakhs (a) E.P.F. Contribution Rs.7874.00 Lakhs
- Rs. 3497.22 Lakhs (b) Penal Damages on Contribution, Adm. charges and Inspection charges Rs.4248.64 Lakhs
- (iii) The investment of E.P.F., S.P.F. & Pension-cum-Gratuity Fund are shown in the Balance Sheet at Cost Price.
- (iv) Out of the Building Construction Fund of Rs.29,24,18,043.39, the cost of Land & Building acquired as on 31.3.88 is Rs.21,49,03,735.00 and the balance of Rs.7,75,14,308.39 is invested alongwith E.P.F. Administration Fund.

Sd/-
(S.P. MEHROTRA)
CENTRAL PROVIDENT FUND COMMISSIONER

SCHEDULE No.I

1986-87

1987-88

Details of Income:

(1) Adm. Charges	26,75,30,175.88	41,28,88,391.65
(2) Inspection Charges	4,39,26,514.92	4,82,12,946.67
(3) Penal Damages	4,53,164.08	5,04,042.53
	<u>31,19,09,854.88</u>	<u>46,16,05,380.85</u>

SCHEDULE No.II

Receipt from Govt. & Other Accounts

(1) From Govt. for Adm. of Family Pension Scheme A.E.(C.D.) Scheme	3,45,30,892.00	-----
(2) From other Accounts	32,148.63	(-) 75,60,846.79
	<u>3,45,63,040.63</u>	<u>(-) 75,60,846.79</u>

DETAILS OF RECEIPT FROM OTHER ACCOUNTS APPEARING
IN SCHEDULE NO. II

(1) From Administration A/c. of E.D.L.I. Scheme	49,32,206.04	41,97,783.74
(2) From other Accounts	-----	-----
	<u>49,32,206.04</u>	<u>41,97,783.74</u>

LESS:

1. Amount transferred to other Accounts in Adjustment	5,09,959.60	18,85,672.34
2. Transfer from A/c. No. 2 to A/c. No.4 and vice- versa as per Regional Offices Accounts and Central Office Accounts	43,90,097.81	98,72,958.19
Total:	<u>49,00,057.41</u>	<u>1,17,58,630.53</u>
Net Total:-	32,148.63	(-) 75,60,846.79

SCHEDULE No. III

1986-87

1987-88

Employees' Provident Fund A/c.
Balance as per last
Balance Sheet.

4422,28,59,079.85

4947,00,57,329.20

Add:

Contribution (including
refund of withdrawal and
transferred securities)
received during the year

754,54,48,196.68

849,75,84,837.19

Contribution received by
way of transferred secur-
ities(H.Q. Office contra)

1,21,12,772.54

1,03,52,965.10

Interest credited to
members Account

287,00,78,111.66

425,86,37,479.81

Amount transferred to EPF
as per decision of the
C.B.T. dated 16.2.88

326,22,00,000.00

Other Receipts

6,04,05,403.84

6,76,17,080.81

Total:

5471,09,03,564.57

6556,64,49,692.11

Less:

Payment made during the
year to out going members
on final settlement.

375,67,59,558.94

470,64,81,746.01

Premia paid during the
year on members Life Insu-
rance Policies.

77,16,871.99

88,20,169.61

Loan paid during the
year to the members

115,72,56,736.81

148,27,76,445.23

Employer's share forfeited
during the year

11,77,30,085.83

11,18,46,745.21

Unclaimed Deposit A/c.

4,36,48,380.94

5,88,89,151.64

Miscellaneous Payment

13,64,18,900.86

11,12,48,343.92

Amount of securities trans-
ferred back to exempted
Establishments.

2,13,15,700.00

1,35,19,970.64

Total:

524,08,46,235.37

649,35,82,572.26

Balance as on 31.3.88

4947,00,57,329.20

5907,28,67,119.85

SCHEDULE No. IV

Unclaimed Deposit Account:
Balance as per last Balance
Sheet

16,28,58,732.86

20,38,92,702.21

Add:

SCHEDULE No. IV**1986-87****1987-88**Unclaimed Deposit Account:
Balance as per last Balance
Sheet

16,28,58,732.86

20,38,92,702.21

Add:Amount Transferred during
the year

4,36,48,380.94

5,88,89,151.64

TOTAL:

20,65,07,113.80

26,27,81,853.85

Less:Amount paid during
The year

26,14,411.59

45,05,008.42

Balance as on 31.3.88

20,38,92,702.21

25,82,76,845.43

SCHEDULE No. V

Forfeiture Account

Balance as per last
Balance Sheet

65,66,56,642.97

76,16,06,600.40

Add:Employer's share forfeited
during the year

11,77,30,085.83

11,18,46,745.21

77,43,86,728.80

87,34,53,345.61

Less:(1) Amount Transferred
to Special Reserve Fund
during the year

1,25,00,000.00

(2) Amount transferred to
Death Relief Fund

(3) Amount paid from for-
feiture Account during
the year

2,80,128.40

3,57,106.25

1,27,80,128.40

3,57,106.25

Balance as on 31.3.88

76,16,06,600.40

87,30,96,239.36

SCHEDULE No. VI

Death Relief Fund

Balance as per last
Balance Sheet

32,61,378.80

26,07,296.05

Amount received from
forfeiture Account

Amount recouped during
the year

876.25

82.00

32,62,255.05

26,07,378.05

Less:	<u>1986-87</u>	<u>1987-88</u>
Payment made during the year	6,54,959.00	6,34,338.75
Balance as on 31.3.88	<u>26,07,296.05</u>	<u>19,73,039.30</u>

SCHEDULE NO.VII

Interest Suspense A/c.

Balance as per last Balance Sheet	1472,87,64,278.09	1831,68,38,601.86
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Less:

1.(a) Interest credited to members A/c. during the year	286,60,22,185.16	425,86,37,479.81
(b) Amount transferred to EPF as per decision of the CBT dated 16.2.88	-----	326,22,00,000.00
2. Interest paid on deposits refunded to exempted establishments.	80,38,198.50	1,89,770.50
3. Loss on sale of securities	10,12,67,502.65	-----
4. Interest paid to vendors	3,09,52,504.88	2,24,49,578.61
5. Adjustment of excess interest paid on S.B. Accounts (Central) during 1984-85	11,964.17	-----
	<u>300,62,92,355.36</u>	<u>754,34,76,828.92</u>

Balance in the Accounts to be credited to the subscribers members A/c. upto 31.3.87

1172,24,71,922.73	1077,33,61,772.94
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Add:

1. Interest realised on investment of securities.	657,22,73,237.02	783,79,77,610.40
2. Interest on S.B. A/cs. (Central)	14,52,765.70	3,26,993.63
3. Interest on S.B. A/cs. (Regional)	19,95,718.73	29,37,964.60
4. Interest on securities received from the estts.	1,78,122.89	72,323.54

	<u>1986-87</u>	<u>1987-88</u>
5. Interest realised from members on loans	42,15,878.45	4,36,912.70
6. Penal damages on belated contributions received during the year	1,42,50,956.34	1,85,68,864.34
7. Amount of loss on sale of securities credited	-----	15,49,83,522.79
	<u>659,43,66,679.13</u>	<u>801,53,04,192.00</u>
Balance as on 31.3.88	1831,68,38,601.86	1878,86,65,964.94

SCHEDULE NO. VIII

A. Staff Provident Fund A/cs.

Balance as per last Balance Sheet	6,08,47,729.42	7,58,35,708.34
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Add:

Contribution (including refund of withdrawal) received during the year	3,53,39,104.96	4,90,51,376.41
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Interest credited to member's account	58,03,330.95	1,02,77,959.66
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Other Receipts

-----	-----
<u>10,19,90,165.33</u>	<u>13,51,65,044.41</u>

Less:

Payment made during the year to outgoing members on final settlement.	39,86,097.55	57,14,104.27
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Withdrawal of Boards share due to optees of pension Scheme.	34,854.00	-----
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Premia paid during the year on members life insurance policies.	3,52,635.19	4,21,196.42
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Loan paid during the year to the members	2,07,69,345.30	2,99,27,076.60
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Other payments (Transfer to other Regions)	10,11,524.95	26,28,269.73
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<u>2,61,54,456.99</u>	<u>3,86,90,647.02</u>
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Balance as on 31.3.88	7,58,35,708.34	9,64,74,397.39
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	<u>1986-87</u>	<u>1987-88</u>
B.S.P.F. A/c. Transferred from other Regions		
Balance as on 1.4.87	8,57,648.50	9,61,994.20
Add:		
Amount transferred out to the regions.	10,11,524.95	26,28,269.73
	<u>18,69,173.45</u>	<u>35,90,263.93</u>
Less:		
Amount received from other regions	9,07,179.25	19,39,158.28
Balance as on 31.3.88	9,61,994.20	16,51,105.65
Total (A+B)	<u>7,67,97,702.54</u>	<u>9,81,25,503.04</u>

SCHEDULE NO.IX

Staff Provident Fund Interest Account

Balance as per last Balance Sheet	5,06,662.20	16,11,778.13
Add:		
(1) Interest realised on investment of securities	69,46,698.89	87,72,333.28
(2) Interest on S.B.Account	751.29	714.67
	<u>74,54,112.38</u>	<u>1,03,84,826.08</u>
Less:		
(1) Interest credited to members Account during the year.	58,03,330.95	1,02,77,959.66
(2) Interest paid to vendors	39,003.30	49,818.53
	<u>58,42,334.25</u>	<u>1,03,27,778.19</u>
Balance as on 31.3.1988	16,11,778.13	57,047.89

SCHEDULE NO.X**1986-87****1987-88**

Pension-cum-Gratuity Account

Balance as per last Balance Sheet	10,14,62,394.96	11,91,90,134.30
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Add:

Amount transferred during the year from A/c. No.4	72,00,000.00	1,49,98,000.00
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Amount transferred from A/c. No.2 & 8 due to option of pension scheme	4,31,631.30	-----
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Interest realised on S.B Account	-----	-----
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Interest realised on Securities during the year	1,00,97,484.04	1,24,64,288.75
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	11,91,91,510.30	14,66,52,423.05
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Less:

Payment made by the regions	-----	-----
Interest paid to vendors during the year	1,376.00	43,018.47

	1,376.00	43,018.47
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Balance as on 31.3.88	11,91,90,134.30	14,66,09,404.58
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SCHEDULE NO.XI

Investment Fluctuation A/c.:

(A) Gain on redemption of securities accounted upto 1986-87	49,27,48,990.44
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(B) Gain on redemption of securities accounted for the year 1987-88 as per details given below:	20,43,84,432.23
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	69,71,33,422.67
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Less loss on sale of securities:	19,27,81,432.47
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Details:-1986-871987-88

1980-81	2,07,83,371.95
1981-82	1,24,46,572.69
1982-83	1,23,47,198.72
1983-84	1,23,45,307.55
1987-88	14,64,61,981.32
	<u>20,43,84,432.23</u>

Balance as on 31.3.88	20,43,84,432.23	50,43,51,990.20
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Gain or loss on redemption of securities for the years 1980-81 to 1983-84 included in the final accounts for the year 1987-88.

SCHEDULE NO. XII**Building Construction Fund:**

Balance as per last Balance Sheet	20,08,48,392.03	23,56,82,731.58
Add:		
1. Provision made during the year	3,00,00,000.00	5,00,00,000.00
2. Interest credited to the fund	48,34,339.55	67,35,311.81
Balance as on 31.3.88	<u>23,56,82,731.58</u>	<u>29,24,18,043.39</u>

Note:

The cost of Land and Building acquired as on 31.3.88 is Rs.21,49,03,735.00 and the amount available for construction purposes as on 31.3.1988 is Rs.7,75,14,308.39

SCHEDULE NO. XIII**Building Maintenance (Repair, renewal, replacement) Fund**

Balance as per last Balance Sheet	33,83,082.85	48,15,456.77
Add:		
1. Amount appropriated from Revenue Surplus during the year.	9,86,590.44	9,97,398.04
2. Interest credited	4,45,783.48	6,11,127.92
Balance as on 31.3.88	<u>48,15,456.77</u>	<u>64,23,982.73</u>

SCHEDULE NO. XIV

1986-87

1987-88

Revenue Surplus

Balance as per last
Balance Sheet

27,32,30,779.75

26,93,91,415.98

Less:

1. Amount adjusted by the
Regional Office

2,52,947.31

2. Excess of Expenditure over
Income during the year as
transferred from Income and
Expenditure Appropriation
Account.

38,84,142.68

82,55,987.72

26,93,46,637.07

26,08,82,480.95

Add:

(i) Amount adjusted by
Regional Office

44,778.91

(ii) Excess of Income over
expenditure during the
year as transferred from
Income & Expenditure.
Appropriation A/c.

Balance as on 31.3.1988

26,93,91,415.98

26,08,82,480.95

SCHEDULE NO. XV

Sundry Credits:

(a) Suspense Account
(Unclassified)

3,07,47,810.24

4,15,75,699.51

(b) Erroneous Receipt

(c) Irregular Payments

9,35,303.99

10,16,021.47

(d) Over Payments

2,73,542.31

3,76,242.19

(e) A.E.C.D.(D.A.) A/c.

40,578.32

40,578.32

(f) Amount repayable to
E.D.L.I. Account

41,87,870.00

2,63,55,670.00

(g) Pension Fund Investment
A/c. and S.P.F. Investment
Account amount invested
in EPF Account.

	<u>1986-87</u>	<u>1987-88</u>
(h) Erroneous Credit to Account No.5		
(i) Amount not accounted for by the Regions though received in A/c. No.5 from A/c. No.1	8,75,009.00	8,75,009.00
(ii) Extra credit given by Bank to A/c. No.3 without any corresponding debit to A/c. No.5	26,50,000.00	1,23,50,000.00
(iii) Amount credited to A/c. No.3 during 1987-88 but debited to A/c. No.5 during 1988-89	17,56,92,000.00	22,37,85,000.00
(iv) Erroneous credit to Account No.5	4,62,34,603.01	7,85,95,953.41
(I) Erroneous/Excess credit to Account No.8	5,90,537.49	8,78,817.84
	<u>26,22,27,254.36</u>	<u>38,58,48,991.74</u>

SCHEDULE NO.XVI

Investment Account of Employees' Provident Fund

(a) Securities purchased centrally(cost price)		
Balance as per last Balance Sheet	5915,42,03,135.09	6856,82,22,072.03
Add:		
(i) Amount invested centrally during the year(cost price)	1476,83,21,226.68	1589,86,59,418.68
(ii) Gain on the purchase of securities for the years 1980-81 to 83-84 and 1987-88	33,04,09,684.26	20,43,84,432.23
	<u>7425,29,34,046.03</u>	<u>8467,12,65,922.94</u>
Less:		
(i) Loss on sale of securities during the year	10,12,67,502.65	-----
(ii) Value of securities redeemed during the year	558,34,44,471.35	576,36,87,180.00
	<u>568,47,11,974.00</u>	<u>576,36,87,180.00</u>
Balance(a) as on 31.3.88	6856,82,22,072.03	7890,75,78,742.94

	<u>1986-87</u>	<u>1987-88</u>
B. Securities transferred by regions balance as per last balance sheet (Accepted value)	80,43,12,377.60	79,51,09,450.14
Add:		
Securities received during the year(Accepted value)	1,21,12,772.54	1,03,52,965.10
	<hr/>	<hr/>
	81,64,25,150.14	80,54,62,415.24
Less:		
Securities returned back to Establishments (Accepted value)	2,13,15,700.00	40,72,950.00
	<hr/>	<hr/>
Balance(b) as on 31.3.88	79,51,09,450.14	80,13,89,465.24
Total(a) & (b)	6936,33,31,522.17	7970,89,68,208.18

SCHEDULE NO.XVII

Investment Account of Staff Provident Fund

Balance as per last Balance Sheet	6,46,54,644.90	7,43,23,828.19
Add:		
Amount invested centrally during the year(Purchase price)	1,90,30,633.29	2,56,86,390.45
	<hr/>	<hr/>

TOTAL:

8,36,85,278.19	10,00,10,218.64
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Less:

Value of securities redeemed during the year	93,61,450.00	65,67,350.00
	<hr/>	<hr/>
Balance as on 31.3.88	7,43,23,828.19	9,34,42,868.64

SCHEDULE NO.XVIII

Investment Account of Pension-cum-Gratuity Fund(Staff)

Balance as per last Balance Sheet	10,02,91,171.65	11,83,98,537.65
-----------------------------------	-----------------	-----------------

1986-87

1987-88

Add:

Amount invested centrally during the year(Purchase price)	2,90,93,366.00	3,24,62,240.80
	<hr/>	<hr/>
	12,93,84,537.65	15,08,60,778.45

Less:

Value of securities redeemed during the year	1,09,86,000.00	64,34,800.00
	<hr/>	<hr/>
Balance as on 31.3.88	11,83,98,537.65	14,44,25,978.45

SCHEDULE NO.XIX

Investment Account of Administration Fund.

Balance as per last Balance Sheet	25,86,18,162.66	23,47,78,029.10
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Add:

Amount invested in FDR	3,89,00,000.00	13,68,00,000.00
	<hr/>	<hr/>
	29,75,18,162.66	37,15,78,029.10

Less:

Securities redeemed during the year	6,27,40,133.56	6,05,97,000.00
	<hr/>	<hr/>
Balance as on 31.3.1988	23,47,78,029.10	31,09,81,029.10

SCHEDULE NO.XX

Recoverable Advance(Staff) as on 31.3.1988

(a) Conveyance Advance	37,99,124.41	63,54,929.76
(b) House Building Advance	2,31,05,058.66	3,33,20,775.30
(c) Fan Advance	42,274.35	49,115.75
(d) Warm Clothing Advance	1,357.75	1,457.75
(e) Festival Advance	23,94,463.60	19,42,240.60
(f) Natural Calamity Advance	12,20,139.80	4,75,333.80
(g) Advance of Pay/DA/TA	8,00,441.02	11,10,403.34
(h) Food Grain Advance	3,433.55	3,433.55
(i) Advance to Staff Co-operative Canteen/Stores	3,07,283.91	3,07,283.91
(j) Miscellaneous Payment	33,75,102.78	36,14,450.78
	<hr/>	<hr/>
	3,50,48,679.83	4,71,79,424.54

SCHEDULE NO. XXI**1986-87****1987-88****Amount in transit:**

(a) E.P.F. Account No.4	20,07,075.59	25,56,376.20
(b) E.P.F. Account No.5	7,80,31,362.14	14,84,12,926.28
(c) S.P.F. Account No.8	36,80,377.35	31,97,762.89
(d) S.P.F. Investment Account	---	---
(e) Pension-cum-Gratuity Fund Investment Account	---	---
	8,37,18,815.08	15,41,67,065.37

SCHEDULE NO. XXII**Cash Balance as on 31st March:****(a) State Bank of India**

E.P.F. Account No.1	(-) 42,90,507.53	1,38,77,249.16
E.P.F. Account No.2	3,56,93,258.64	3,77,39,324.16
E.P.F. Account No.3	(-) 18,47,84,459.58	(-) 19,44,73,744.13
E.P.F. Account No.4	3,48,00,469.79	21,91,433.20
E.P.F. Account No.5	8,94,55,475.06	1,33,10,631.08
E.P.F. Account No.8	37,352.59	33,211.54
E.P.F. Account No.9	36.23	36.23
	(-) 2,90,88,374.80	(-) 12,73,21,858.76

(b) Reserve Bank of India

E.P.F. Investment A/c.	5,04,21,600.20	1,52,74,479.00
S.P.F. Investment A/c.	3,28,829.22	5,67,003.52
Pension-cum-Gratuity Investment Account	2,58,674.91	16,50,504.39
	5,10,09,104.33	1,74,91,986.91
Total (a) + (b)	2,19,20,729.53	(-) 10,98,29,871.85

SCHEDULE NO. XXIII1986-871987-88

Sundry Debits:

A. Suspense A/c. (Unclassified)	98,32,438.87	1,27,83,628.03
B. Irregular Payments	9,35,303.99	10,16,021.47
C. Over Payments	2,73,542.31	3,76,242.19
D. Erroneous debit to A/c. No.5		
(a) Excess accounted for by Regional Office as transfer to A/c. No.5 from Account No.1	---	1,94,52,030.52
(b) Transfer of funds to A/c. No.3	---	---
(c) Extra debit made to A/c. No.5 by Bank	10,11,54,000.00	9,53,83,221.05
	<u>11,21,95,285.17</u>	<u>12,90,11,143.26</u>

**RECEIPT AND PAYMENT ACCOUNT
AND
BALANCE SHEET OF
EMPLOYEES' FAMILY PENSION
SCHEME**

**EMPLOYEES' FAMILY PENSION
RECEIPT AND PAYMENT ACCOUNT**

(Contribution)

S.NO.	RECEIPT	AMOUNT
1.	Opening Balance as on 1st April, 1987	19,77,56,72,712.86
2.	(i) Contribution of Employees' & employers	2,05,10,40,639.48
	(ii) Contribution of Govt. (1987-88)	51,53,47,418.40
	(iii) Arrears of contribution of Govt. up to the year 1986-87	18,96,52,581.60
3.	Interest on the balance in the Public Account	1,60,72,00,000.00
4.	Interest on Savings Bank A/c.	4,62,720.61
5.	Other Receipts:	
	(a) Regional Contribution Account No.10	1,73,76,656.72
	(b) Central Contribution Account No.11	---
	(c) Erroneous Credit in Regional Contribution Account No.10	83,70,908.70
TOTAL:		24,16,51,23,638.37

**SCHEME 1971
FOR THE YEAR 1987-88**

Account)

S.No.	PAYMENT	Amount
1.	Amount paid to outgoing members/beneficiaries	
(a)	Amount of Employees' share with interest	3,23,84,178.71
(b)	Withdrawal/Retirement Benefits	11,63,70,763.75
(c)	Life Assurance Benefits	1,87,62,928.95
(d)	Family Pension	17,66,72,837.90
2.	Other Payments:	
(a)	Regional Contribution Account No.10	1,61,64,746.60
(b)	Central Contribution Account No.11	4,920.00
3.	Closing Balance	23,80,47,63,262.46
TOTAL:		24,16,51,23,638.37

Sd/-
(S.P. MEHROTRA)
CENTRAL PROVIDENT FUND COMMISSIONER

EMPLOYEES' FAMILY PENSION
RECEIPT AND PAYMENT ACCOUNT

(Administration)

S.NO.	RECEIPT	Amount
1.	Amount received from Government towards cost of Administration 1987-88	34.91
2.	Miscellaneous Receipt	---
3.	Amount received from E.P.F. Administration Account C/F	4,76,59,121.86
TOTAL:		4,76,59,156.77

**SCHEME 1971
FOR THE YEAR 1987-88**

Account)

S.NO.	PAYMENT	AMOUNT
1.	Balance amount incurred from EPF Administration Account B/F as on 1.4.1987	57,13,911.28
2.	Payment on Administration:	
(i)	Revenue expenditure:	
(a)	Salaries	2,71,96,167.69
(b)	Allowance & Honoraria	57,46,259.16
(c)	Travelling Allowance	10,87,219.14
(d)	Pension/Gratuity (Staff)	10,67,930.32
(e)	S.P.F. Board's share & E.D.L.I. Benefits	399.00
(f)	Other charges	53,03,266.03
(g)	Grants	1,29,096.63
(h)	Charges on maintenance and repairs of Office Building	1,53,120.73
		4,06,83,458.70
(ii)	Capital expenditure: Construction (Office Building etc.)	12,61,786.79
	TOTAL:	4,76,59,156.77

Sd/-
(S.P. MEHROTRA)
CENTRAL PROVIDENT FUND COMMISSIONER

**EMPLOYEES' FAMILY PENSION
BALANCE SHEET**

Balance as at 31st March Previous year	LIABILITIES	Sch. No.	Amount
19,77, 56,72,712.86	1. Employees' Family Pension Fund Contribution Account		23,80,47,63,262.46
	2. Family Pension Fund Adm. Account		
57,13,911.28	Amount incurred from EPF Administration Account		4,76,59,121.86
2,69,25,728.56	3. Sundry Credits	I	3,86,51,139.77
19,80,83,12,352.70	TOTAL:		23,89,10,73,524.09

SCHEME 1971
AS AT 31st MARCH, 1988

Balance as at 31st March previous year	ASSETS	Sch.No.	Amount
19,75,55,76,883.63	1. Family Pension Fund Contribution Investment Account kept in Deposit with Public Account	II	23,76,39,90,717.28
57,13,911.28	2. Family Pension Fund Adm.A/c. Amount recoverable from Central Government		4,76,59,121.86
(-) 1,77,12,602.14	3. Cash Book Balance FPF Contribution Account	III	(-) 56,75,965.18
5,76,13,520.13	4. Remittance in transit		7,66,07,575.89
71,20,639.80	5. Sundry Debits	IV	84,92,074.24
19,80,83,12,352.70	TOTAL:		23,89,10,73,524.09

Note:-

- (i) Family Pension Contribution due from employers of exempted and unexempted establishment as on 31.3.1988 Rs. 7.40 crores
- (ii) Family Pension Contribution due from Govt. as on 31.3.1988 Rs. 51,01,72,901.34
- (iii) Family Pension Administration cost due from Govt. as on 31.3.1988 Rs. 4,76,59,121.86 (out of this, Rs. 3.10 crores received in April, 1988)

Sd/-
(S.P. MEHROTRA)
CENTRAL PROVIDENT FUND COMMISSIONER

SCHEDULE NO.I**1986-87****1987-88**

Sundry Credits:

1. Account No.10

15,11,941.95

52,95,880.50

2. Account No.11

2,54,13,786.61

3,33,55,259.27

Balance as at 31st March:

2,69,25,728.563,86,51,139.77**SCHEDULE NO.II**Amount kept in deposit
with Public Accounts

15,47,21,81,467.40

19,75,55,76,883.63

Balance as per last Bal.Sheet

Add:(i) Amount deposited in
Public Account during
the year

1,57,17,14,316.23

1,69,62,13,833.65

(ii) Govt. share of contribution
1986-87

72,63,81,100.00)

51,53,47,418.40)

72,37,57,900.00)

18,96,52,581.60)

(iii) Interest on Public account

1,31,42,100.00

1,60,72,00,000.00

1,24,84,00,000.00

19,75,55,76,883.6323,76,39,90,717.28**SCHEDULE NO.III**

Cash Book Balance

1. Account No.10

(-) 1,82,71,240.14

(-) 72,52,423.18

2. Account No.11

5,58,638.00

15,76,458.00

(-) 1,77,12,602.14(-) 56,75,965.18**SCHEDULE NO.IV**

Sundry Debits:

1. Account No.10

13,10,418.55

26,81,852.99

2. Account No.11

58,10,221.2558,10,221.2571,20,639.8084,92,074.24

**RECEIPT AND PAYMENT ACCOUNT
AND
BALANCE SHEET OF
EMPLOYEES' DEPOSIT LINKED INSURANCE SCHEME**

**EMPLOYEES' DEPOSIT LINKED
RECEIPT AND PAYMENT ACCOUNT
(Contribution)**

S.NO.	RECEIPT	AMOUNT
1.	Opening Balance as on 1st April, 87	3,88,96,09,388.37
2.	(i) Contribution of employers	33,83,34,356.77
	(ii) Contribution of Government (1987-88)	16,64,42,078.43
	(iii) Arrears of contribution of Govt. for 1986-87	35,57,921.57
3.	Interest on investment in Public A/c.	31,21,00,000.00
4.	Interest on investment in securities	75,17,563.37
5.	Interest on S.B. Account	2,01,595.20
6.	Penal Damages	3,05,771.72
7.	Other receipts in:	
	Account No.21	21,55,968.17
	(-) 13,71,864.45	7,84,103.72
	Account No.25	---
TOTAL		4,71,88,52,779.15

INSURANCE SCHEME 1976
FOR THE YEAR 1987-88
Account)

OF 2

S.NO.	PAYMENT	AMOUNT
1.	Assurance Benefits	11,32,73,788.27
2.	Amount refunded to employers on grant of exemption	---
3.	Other payment in:	
	Account No.21	43,44,090.21
	Account No.25	<u>49,80,923.63</u>
		93,25,013.84
4.	Closing Balance	4,59,62,53,977.04
TOTAL:		4,71,88,52,779.15

Sd/-
(S.P. MEHROTRA)
CENTRAL PROVIDENT FUND COMMISSIONER

**EMPLOYEES' DEPOSIT LINKED
RECEIPT AND PAYMENT ACCOUNT
(Administration)**

S.NO.	RECEIPT	AMOUNT
1.	Opening Balance as on 1st April, 1987	93,87,07,170.08
2.	Administrative charges received from the employers during the year	7,24,43,794.51
3.	Inspection charges received	70,59,830.66
4.	Penal Damages	84,333.60
5.	Amount received from Govt. towards cost of Administration of the fund for 1987-88	2,00,00,000.00
6.	(a) Interest received on investment from administration Account	4,89,03,411.48
	(b) Interest on S.B. Account	
	7,52,088.11	
	<u>1,02,329.50</u>	8,54,417.61
	(c) Interest on Advance	5,238.15
7.	Other Receipts:	
	17,17,945.52	
	<u>14,40,813.25</u>	31,58,758.77
TOTAL:		1,09,12,16,954.86

**INSURANCE SCHEME 1976
FOR THE YEAR 1987-88
Account)**

S.No.	PAYMENT	AMOUNT
1.	Payment on Administration:	
(a)	Revenue Expenditure:	
1.	Salaries	76,50,016.24
2.	Allowance & Honoraria	16,59,711.09
3.	T.A. & L.T.C.	2,74,788.65
4.	Pension/Gratuity (staff)	2,75,030.75
5.	Staff Provident Fund (Board's share)	11,010.00
6.	Other charges (Recurring and non-recurring)	14,72,868.17
7.	Grants	34,486.05
8.	(a) Maintenance and repairs of Office Building etc.	49,504.19
		1,14,27,415.14
	(b) Capital Expenditure Construction of Office Building/ Staff quarters etc.	3,11,881.80
2.	Other Payments:	
	Account No.22	2,12,152.64
	Account No.24	4,61,900.00
		6,74,052.64
3.	Closing Balance	1,07,88,03,605.28
TOTAL:		1,09,12,16,954.86

Sd/-
(S.P. MEHROTRA)
CENTRAL PROVIDENT FUND COMMISSIONER

**EMPLOYEES' DEPOSIT LINKED
BALANCE SHEET**

Balance as at 31st March previous year	LIABILITIES	Sch. No.	Amount
3,88,96,09,388.37	1. Employees' Deposit Linked Insurance Fund Account		4,59,62,53,977.04
93,87,07,170.08	2. Employees' Deposit Linked Insurance Fund Adm. A/c.		1,07,88,03,605.28
3,43,68,219.66	3. Sundry Credits	I	5,89,72,845.34
4,86,26,84,778.11	TOTAL:		5,73,40,30,427.66

INSURANCE SCHEME 1976
AS AT 31st MARCH 1988

Balance as at 31st March previous year	ASSETS	Sch.No.	Amount
	1. Investment Account		
	(a) Employees' Deposit Linked Insurance Fund Account		
13,45,32,465.83	(i) Investment in securities II	II	8,65,01,065.83
3,77,78,24,642.58	(ii) Deposit in Public A/c	III	4,55,68,33,267.09
	(b) Employees' Deposit Linked Insurance Adm. Fund A/c		
89,63,14,000.00	(i) Amount invested in Term Deposits	IV	1,01,37,98,000.00
45,21,997.87	(ii) Amount due from EPF Adm. Account	V	2,02,58,882.79
63,22,276.07	2. Cash Balance	VI	68,05,701.37
3,40,49,751.70	3. Remittance in transit	VII	3,64,18,812.39
91,19,644.06	4. Sundry Debits	VIII	1,34,14,698.19
4,86,26,84,778.11	TOTAL:		5,73,40,30,427.66

Previous year
Rs. 1.94 crores
Rs. 0.50 crores
Rs. 35,57,921.57
Rs. Nil

Foot Note:

1. E.D.L.I. contribution due from employers as on 31.3.88 Rs. 237.85 lakhs
2. E.D.L.I. Adm. and Inspection charges due from employers as on 31.3.88 Rs. 117.01 lakhs
3. E.D.L.I. contribution (Govt.) share due as on 31.3.88 Rs. 27,25,100.00
4. E.D.L.I. Adm. charges (Govt.) share due as on 31.3.88 Rs. 142.61 lakhs

Sd/-

(S.P. MEHROTRA)

CENTRAL PROVIDENT FUND COMMISSIONER

SCHEDULE NO. I**1986-87****1987-88****Sundry Credits:**

1.	Excess Credits in A/c. No.21 (-)	1,89,395.30	15,50,131.20
2.	Excess Credits in A/c.No.25	2,44,55,795.43	4,28,63,770.61
3.	Excess Credits in R.B.I.A/c.	23,231.95	14,42,116.35
4.	Excess Credits in A/c.No.22	21,13,051.96	21,07,252.20
5.	Excess Credits in A/c.,No.24	79,65,535.62	1,10,09,574.98
	Balance as on 31st March	<u>3,43,68,219.66</u>	<u>5,89,72,845.34</u>

SCHEDULE NO. II**Investment in securities:**

Balance as per last Balance Sheet	40,98,26,415.83	13,45,32,465.83
Less:		
Securities redeemed during the year	<u>27,52,93,950.00</u>	<u>4,80,31,400.00</u>
Balance as on 31st. March	<u>13,45,32,465.83</u>	<u>8,65,01,065.83</u>

SCHEDULE NO. III**Amount deposited in Public A/c.**

Balance as per last balance sheet	2,88,56,86,252.48	3,77,78,24,642.58
Add:		
1. Deposits made during the year	50,46,38,390.10	29,69,08,624.51
2. Govt. share of contribution for 1987-88	15,66,15,000.00	16,64,42,078.43
3. Govt. share arrears upto 1986-87	33,85,000.00	35,57,921.57
4. Interest on balance in Public Account	<u>22,75,00,000.00</u>	<u>31,21,00,000.00</u>
Balance as on 31st March:	<u>3,77,78,24,642.58</u>	<u>4,55,68,33,267.09</u>

SCHEDULE NO. IV

1986-87

1987-88

Amount invested in Fixed Deposits:

Balance as per last balance sheet 70,65,25,000.00 89,63,14,000.00

Add:

Amount deposited during the year 31,11,14,000.00 25,26,64,000.00
1,01,76,39,000.00 1,14,89,78,000.00

Less:

Amount redeemed during the year 12,13,25,000.00 13,52,00,000.00
Balance as at 31st March: 89,63,14,000.00 1,01,37,78,000.00

SCHEDULE NO.V**1986-87****1987-88**

Amount due from EPF Adm. Account

(a) Transaction in A/c.No.24

Balance as per last balance sheet

Add:

During the year

Less:

Amount received back

Balance as at 31st March:

(b) Transaction in regard to
Account No.22Amount transferred to E.P.F.
Account NO.2

Balance as on 31st March (a+b)

45,21,997.8745,21,997.87(-) 22,41,117.212,02,58,882.79**SCHEDULE NO.VI**

Cash Book Balance:

1. Account No.21	(-) 48,25,562.95	(-) 33,36,252.09
2. Account No.25	78,202.40	9,55,892.73
3. Account No.22	90,42,258.57	77,46,768.74
4. Account No.24	<u>20,27,378.05</u>	<u>14,39,291.99</u>
Balance as at 31st March	<u>63,22,276.07</u>	<u>68,05,701.37</u>

SCHEDULE NO.VII**1986-87****1987-88**

Remittance in Transit

1. From A/c. No.21 to 25	1,17,45,111.05	2,17,88,488.88
2. From RBI A/c to A/c No.25	1,20,94,316.20	5,79,601.50
3. From A/c. 22 to 24	99,41,324.45	1,40,50,722.01
4. From F.D.R. to 24	<u>2,69,000.00</u>	<u>---</u>
Balance as at 31st March:	<u>3,40,49,751.70</u>	<u>3,64,18,812.39</u>

SCHEDULE NO.VIII

Sundry Debits:

1. Account No.21	(-) 11,82,469.15	13,93,662.15
2. Account No.25	17,30,082.00	8,49,211.90
3. Account No.22	6,72,238.71	6,24,113.97
4. Account No.24	<u>78,99,792.50</u>	<u>1,05,47,710.17</u>
Balance as at 31st March:	<u>91,19,644.06</u>	<u>1,34,14,698.19</u>

Audit Certificate

I have examined the Accounts and the Balance Sheet of the Employees' Provident Fund Scheme, 1952 Employees' Family Pension Scheme, 1971 and Employees' Deposit Linked Insurance Scheme, 1976 for the year ending 31st March, 1988. I have obtained all the information and explanations that I have required, and subject to the observations in the appended Audit Report, I certify as a result of my audit that in my opinion these Accounts and Balance Sheet are properly drawn up so as to exhibit a true and fair view of the state of affairs of these schemes according to the best of my information and explanations given to me and as shown by the books of the organisation.

edl
(M.V. RAMAKRISHNAN)
DIRECTOR OF AUDIT
CENTRAL REVENUES, NEW DELHI-2

Place: NEW DELHI

DATED: 1.12.88

AUDIT REPORT
ON THE CONSOLIDATED ACCOUNTS OF THE
EMPLOYEES' PROVIDENT FUND ORGANISATION
FOR THE YEAR 1987-88

**Audit Report on the Employees' Provident Fund
Organisation for the year 1987-88**

1. Introduction:

The Employees' Provident Fund Organisation is a statutory body established under the Employees' Provident Fund and Miscellaneous Provisions Act, 1952. During 1987-88 it had 16 Regional Offices and 42 Sub-Regional Offices with a Central Office at New Delhi.

The annual accounts of the Organisation are being audited under section 19(2) of the Comptroller and Auditor General's (Duties, Powers and conditions of service) Act, 1971.

Apart from the Employees' Provident Fund (EPF) Scheme 1952, the Organisation has been entrusted with the Administration of the Employees' Family Pension (EFP) Scheme, 1971, the Additional Emoluments (Compulsory Deposit) (AECD) Scheme, 1974 and the Employees' Deposit Linked Insurance (EDLI) Scheme, 1976. The Administrative expenses of Employees' Provident Fund Scheme are met out of separate contribution levied on employers for the purpose, the Employees' Deposit Linked Insurance Scheme is administered out of contribution both from employers and the Central Government at certain specific rates. For administering Employees' Family Pension and Additional Emoluments (Compulsory Deposit) Scheme, the Organisation is provided with funds by the Central Government by way of recoupment of expenditure initially incurred by the Organisation. The Organisation is required to maintain separate sets of accounts for each of these schemes except Additional Emoluments (Compulsory Deposit) Scheme in respect of which the transaction are incorporated in the Employees' Provident Fund Accounts.

An analysis of the Income and Expenditure of the Employees' Provident Fund for 1986-87 and 1987-88 is as under:

Income	1986-87	1987-88
	(Rs. in lakhs)	
1. Receipt by way of administrative charges, inspection charges and penal damages	3119.10	4616.05
2. Interest earned on investment of surplus Administration Fund	284.85	126.61
3. Receipt from Government and other Accounts	345.63	(-) 75.61
4. Miscellaneous Receipt	80.61	125.15

	Expenditure	1986-87	1987-88
1.	Salaries of Officers and staff	2080.66	2442.18
2.	Allowance & Honoraria	311.47	493.58
3.	Travelling Allowance & Leave Travel Concession	84.96	85.17
4.	Pension/Family Pension/Death-cum-Retirement Gratuity	123.66	263.91
5.	Staff Provident Fund		
	(a) Board's share		
	(b) Staff Provident Fund Employees' Deposit Linked Insurance Scheme benefits	1.30	0.21
6.	Other charges:		
	(a) Recurring/non-recurring	530.15	543.28
	(b) Maintenance of Office Building & Staff quarters.	15.13	15.03
7.	Grants	10.55	13.93
8.	Expenditure incurred on administration of:		
	(a) Family Pension Fund Scheme	323.82	406.83
	(b) Employees' Deposit Linked Insurance Scheme	69.62	96.20
	(c) Additional Emoluments Compulsory Deposit Scheme	3.07	4.05

2. Comments on Accounts

2.1 Balance Sheet of Employees' Provident Fund Scheme.

(1) Valuation of Assets:

The total value of Land and Building acquired upto the end of March, 1988 as per Balance Sheet aggregated to Rs. 21.49 crores. The value of assets shown in the Balance Sheet was not verifiable as the Organisation had not maintained any centralised Assets Register showing the details of each piece of land and building indicating the Khasra No./Plot NO. of the land, its boundaries, the approved design according to which the building was constructed etc. This basic record was also not being maintained even in the Regional Offices, for instances Delhi Unit and Headquarters unit. The organisation stated (Oct. 88) that the suggestion made by audit regarding maintenance of centralised Assets Register would be examined by them.

Besides, advance payments/deposits made to Central Public Works Department/Public Works Department by the Organisation for construction of office buildings were booked under the head "Land and Building" instead of showing them under the head "Advances". In the cases of Regional Provident Fund Commissioner, Kerala and Andhra Pradesh, advances of Rs. 28.65 lakhs and Rs. 58.49 lakhs made to Central Public Works Department during 1987-88 were booked under the head "Land and Building." As such, balance sheet did not depict the true picture of assets to that extent. The Organisation's contention that such advances were of capital nature and their treatment in accounts as capital was not justified unless the assets created out of these advances were duly completed and possession handed over to the E.P.F. Organisation by the constructing agency to whom advances were made.

(ii) Special Reserve Fund (Rs. 320.61 lakhs)

A special Reserve Fund was created for making payment to outgoing members or their nominees in cases where the employers of the unexempted establishments had failed to deposit the whole or part of the contribution deducted from the wages of the subscribers to the Employees' Provident Fund. The amount so paid was subsequently recoverable from the employers of the defaulting establishments concerned. A sum of Rs. 384.64 lakhs had been paid to outgoing members or their nominees from 1960-61 to 1987-88, out of which Rs. 44.03 lakhs had been recovered from the employers upto the end of March, 1988 leaving a balance of Rs. 320.61 lakhs as recoverable, as shown in the balance sheet as on 31st March, 1988, as per details given below:

Years	Amount (Rs. in lakhs)
1960-61 to 1975-76	76.05
1976-77	4.37
1977-78	4.77
1978-79	3.32
1979-80	2.33
1980-81	2.57
1981-82	3.11
1982-83	4.14
1983-84	16.30
1984-85	22.45
1985-86	9.46
1986-87	54.23
1987-88	117.51
	<u>320.61</u>

Huge amounts were lying under this head since 1960-61 onwards and there was no improvement at all in the recoverable amount of Rs. 203.10 lakhs outstanding upto 1986-87 from the concerned defaulting employers. Rather, there is an upward trend in the amount recoverable from the defaulting employers.

The Organisation stated in (Nov.88) that most of the establishments to whom the major portion of the recoverable amount pertained had either been closed or gone into liquidation. As such the progress of recovery was not appreciable. However concerned authorities were taking all possible action to realise the arrears.

2(iif) Variation/Discrepancy in the Balance under various funds and the assets created therefrom.

The credit balance under the heads:

- (a) Employees' Provident Fund
- (b) Staff Provident Fund
- (c) Administration Fund, and
- (d) Pension-cum-Gratuity Fund shown on the liability side of the Balance Sheet should tally with the investment, cash balance and other assets created therefrom, but this was not so, as shown below:

S.No.	Fund/Accounts	Shown on Liability side	Investment shown on Assets side
1.	Employees Provident Fund	79857805124.66	79834380892.83
2.	Staff Provident Fund	99061368.77	97240846.59
3.	Central Admn. Fund	592378129.15	617094895.83
4.	Pension-cum-Gratuity Fund	146609404.58	146076519.07
5.	Special Reserve Fund	31000000.00	32060872.84

The Organisation had earlier stated (November, 87) that the transactions date back to the period 1952-53 and onwards and all out efforts were being made to trace out the records and reconcile the difference.

2(iv) Balance under Provident Fund Account (Rs.5907.29 crores) and Interest Suspense Account (Rs.1878.87 crores)

The interest earned on investment was initially credited to "Interest Suspense Account" to which debit was afforded on the basis of total interest credited to individual accounts of subscribers. The credit balance of Rs. 1878.87 crores under this head was very heavy considering that interest earned during 1987-88 was only Rs. 801.53 crores.

According to the Organisation the reason for such a huge surplus was due to non-reconciliation of the accounts of the subscribers. The balance under the head "Employees' Provident Fund Account" showed the total liability towards the subscribers. Despite the issue of instructions by the Central Office regarding timely reconciliation of the accounts of the subscribers to the Regional Commissioners, the accumulation of interest payable to the subscribers was increasing every year.

The Organisation also did not have any record to show the year-wise break up of the accumulated balance of interest of Rs. 1077.34 crores which was to be credited to the subscribers accounts upto 31st March, 1988. The Organisation stated that the balance under Interest Suspense Account were expected to be reduced during the year 1988-89.

2(v) Sundry credits Rs. 38.58 crores ^{and} ~~under~~ Sundry debits Rs. 12.90 crores.

(a) The Balance sheet of the organisation as at 31st March, 1988 depicted sundry credits as Rs. 38.58 crores and sundry debits as Rs. 12.90 crores which included Rs. 415.76 lakhs and Rs. 127.84 lakhs on account of unclassified receipts and payments. The year-wise break up of the balance outstanding together with the reasons thereof was not available with the Central Office. Though this irregularity had continuously been pointed out in the earlier audit reports, the details of transactions had not been indicated in annexure required to be attached by each regional office with its annual accounts in pursuance of the instructions issued by the Central Office in September, 1978 and November, 1987.

(b) The figures of sundry debtors included Rs. 10.16 lakhs and Rs. 3.76 lakhs on account of irregular payments and of over payments respectively. These amounts were also included in the figures of sundry creditors as they were payable to the rightful subscribers. It was observed that a sum of Rs. 5.20 lakhs on account of irregular payments had been lying unsettled since 1975-76 despite having been pointed out in the Audit Reports for the year 1983-84, 1984-85, 1985-86 and 1986-87.

2(v)(c) Extra debit made to Account No.5 by the Bank

The sundry debits also included an amount of Rs. 953.83 lakhs being extra debit made by the bank between 1980-81 to 1987-88. Yearwise details are given below:

Year	Amount of Extra debit (Rs. in lakhs)
1980-81	8.00
1981-82	2.00
1982-83	23.00
1983-84	13.77
1984-85	112.26
1985-86	274.36
1986-87	150.10
1987-88	370.34
	953.83

Extra debits of Rs. 10 lakhs upto the year 1981-82 were mainly attributable to the debiting of amount twice by the State Bank of India, Bombay once on the basis of telegraphic communication and again on the basis of post copy of the telegram. The remaining extra debits were stated to be due to misclassification of payments by the Bank, non-confirmation by the Regional Commissioners which were not included in the details supplied by the regional offices. Their omission from the details so received from the regional offices had led to their non-linking in the Central Office. In spite of the instructions issued by the Central Office (November, 1986) to the Bank as well as to the Regional Commissioners to ensure that the extra debit were set right immediately, a sum of Rs. 8 lakhs upto the year 1980-81 was still outstanding though a period of more than 7 years had elapsed, and there had been no progress in the adjustment of extra debits made for the period 1981-82 to 85-86.

The Organisation furnished the details of sundry credits and sundry debits after the close of audit which inter alia included extra debit and erroneous credits to the extent of Rs. 9.6 crores and 31.56 crores respectively afforded by the Bank. It was intimated that the matter was being actively pursued by the bank to set right the wrong entries without delay. As regards unclassified suspense credits and debits to the tune of Rs. 1.27 crores and 4.15 crores. The organisation pointed out that these could not be adjusted in accounts for want of non receipt of correct particulars from the bank records. The matter was being pursued with the Regional Offices to recover or regularise these payments.

2(v)(d) Remittance in Transit

As on 31st March, 1988, an amount of Rs. 15.42 crores was shown on the assets side of the balance sheet under the head "Remittance in Transit". Year-wise details are given below:

	EPF Account No.5	SPF Account No.8. (Rs.in lakhs)	EPF Account No.4
1970-71 to 1979-80	12.22	-	-
1980-81	2.23	1.12	-
1981-82	16.21	-	-
1982-83	25.07	2.55	-
1983-84	28.24	0.38	-
1984-85	74.24	2.83	-
1985-86	182.44	2.31	-
1986-87	108.50	13.13	-
1987-88	1034.98	9.66	25.56
	1484.13	31.98	25.56

A sum of Rs. 15.57 lakhs upto the year 1980-81 was still to be adjusted under the proper head of accounts though a period of more than 7 years had elapsed.

The Organisation intimated (Nov. 88) that out of Rs. 8.37 crores which was outstanding during 1986-87, a sum of Rs. 3.65 crores could be cleared during the year due to vigorous persuasion with the Bank.

2(iv) Recoverable advances.

As on 31st March, 1988 there were recoverable advances of Rs. 4,71,79,424.54 as shown in the Balance Sheet as per details given below:

	<u>Advance</u>	<u>Amount</u>
1.	Conveyance	63,54,929.76
2.	House Building	3,33,20,775.30
3.	Fah	49,115.75
4.	Warm Clothing	1,457.75
5.	Festival	19,42,240.60
6.	Natural calamity	4,75,333.80
7.	Pay/TA	11,10,403.34
8.	Food grain	3,433.55
9.	Staff Cooperative stores/canteens	3,07,283.91
10.	Misc. advances	36,14,450.78
		4,71,79,424.54

The organisation did not have any record to show the year-wise break up of the recoverable advances. The figures of conveyance, festival and fan advances of Central Office did not tally with the broadsheet/registers maintained by the Central office. Thus the correctness of figures could not be vouchsafed in Audit.

2.2 Non-transfer of Provident Fund contributions to Board of Trustees and Non-investment of Provident Fund contributions by the Board of Trustees of the exempted establishments.

Certain establishments are allowed to maintain their own provident fund accounts under the conditions prescribed in the E.P.F. & Miscellaneous Provisions Act, 1952 and such exemption is cancelled on violation of conditions prescribed therefore.

As on 31st March, 1988 there were 169 exempted establishments which failed to transfer contributions to the tune of Rs. 111.43 crores to the Board of Trustees as against 142 establishments with a default of Rs. 98.51 crores at the end of March, 1987. Thus the arrears of exempted establishments went up by Rs. 12.92 crores during the year 1987-88. Besides the Board of Trustees of 425 establishments were in default for not investing Provident Fund contributions to the tune of Rs. 27.16 crores.

2.3 Arrears in reconciliatin of establishment-wise records with annual account figures.

As per provisions of para 196-199 of Manual of Accounting Procedure, the organisation should maintain establishment-wise records showing transactions of contributions, refund, interest,

withdrawals etc. in respect of employees of respective establishments and the totals of these records are required to be reconciled with the figures in the Cash Book and ultimately with the annual accounts figures.

The reconciliation had been in arrears in most of the Regions for several years and was also commented upon in the various Inspection Reports of the regions concerned and also mentioned in Audit Reports for the years 1983-84, 1984-85, 1985-86 and 1986-87.

2.4 Annual Accounts of Employees' Family Pension Scheme and Employees' Deposit Linked Insurance Scheme.

The Employees' Family Pension Scheme is financed by diverting 1-1/6 per cent of the wages of the employees from out of their share of contributions towards provident fund with an equal amount of employer's contribution. The Central government also contributes at the same rate. Under the Employees' Deposit Linked Insurance Scheme, the employees are not required to pay any contribution but the employers are to contribute at the rate of 0.5% of wages of the employees. The Central Govt. contributes one half of this contribution.

As on 31st March, 1988 an amount of Rs. 7.40 crores and Rs. 51.02 crores towards Family Pension contribution were due from employers of exempted/unexempted establishments and central government respectively. Similarly an amount of Rs. 2.38 crores and Rs. 0.27 crores towards Employees' Deposit Linked Insurance Contribution were due from employers and central government respectively.

Besides, as on 31st March, 1988 a sum of Rs. 4.76 crores was also due from Central Government on account of administration charges towards family pension out of which a sum of Rs. 3.10 crores was received in April, 1988 leaving a balance of Rs. 1.66 crores. In addition, an amount of Rs. 1.43 crores was also due from Central Government on account of administrative charges towards Employees' Deposit Linked Insurance Fund as on 31st March, 1988.

Non receipt of the amount of contributions due from employers/Central Government had resulted in short investment in public account and consequent loss of interest to the Fund.

3. **Other Irregularities**

3.1(a) **Arrears of Provident Fund dues from employers.**

The dues on account of Provident Fund in respect of unexempted establishments, both of employers and employees, Administration/Inspection Charges and Penal damages had increased from Rs. 51.38 crores in 1981-82 to Rs. 123.74 crores as on 31st March, 1988 as detailed below. The dues on account of Administration and Inspection charges are shown in foot notes of the Income & Expenditure Account and dues on account of contribution and penal damages are shown in foot notes in the Balance Sheet.

	1981-82	1982-83 (in crores)	1983-84	
Provident Fund contributions	31.37	42.83	41.82	
Administration/Inspection charges	0.94	11.09	1.47	
Penal damages	19.07	21.80	26.57	
	<u>51.38</u>	<u>65.72</u>	<u>69.86</u>	
	1984-85	1985-86	1986-87	1987-88
Provident Fund contribution	52.30	58.30	71.97	78.74
Administration/Inspection Charges	1.49	1.79	1.95	2.51
Penal damages	29.13	31.33	34.97	42.49
	<u>82.92</u>	<u>91.42</u>	<u>108.89</u>	<u>123.74</u>

Action taken, if any to reduce the arrears of contribution was not therefore effective. The arrears on account of Provident Fund contributions amounting to Rs. 78.74 crores were due from 10007 defaulting establishments.

(b) Revenue Recovery Certificates:

(i) As against 26142 Revenue Recovery Certificates initiated under section 8 of the Act involving a sum of Rs. 11691.99 lakhs pending as on 31st March, 1987, recovery certificates in 29845 cases involving a sum of Rs. 10169.92 lakhs were pending as on 31st March, 1988. Region-wise analysis of the pending cases is as under:

<u>S.No.</u>	<u>Region</u>	<u>Total pending cases</u>	<u>Amount (in Lakhs)</u>
1.	Andhra Pradesh	1031	269.11
2.	N.E.Region	415	54.99
3.	Bihar	601	332.75
4.	Delhi	467	142.31
5.	Gujarat	996	317.18
6.	Haryana	1153	391.00
7.	Kannataka	421	199.80
8.	Kerala	481	257.80
9.	Madhya Pradesh	3319	2233.89
10.	Maharashtra	5969	1635.57
11.	Orissa	1062	480.88
12.	Punjab	1344	354.91
13.	Rajasthan	722	211.48
14.	Tamil Nadu	918	424.45
15.	Uttar Pradesh	2786	1831.41
16.	West Bengal	8160	1032.39
		<u>29845</u>	<u>10169.92</u>

With the increase in the number of cases involving huge arrears for recovery the executing machinery in the Organisation needed to be reoriented.

(ii) Prosecution proceedings under section 14 of the Act were launched against 7363 defaulting establishments during the year 1987-88 and 48428 cases were pending adjudication in various courts all over India as on 31st March, 1988 out of which 11984 cases were more than three years old.

(iii) Prosecution cases under section 406/409 of the Indian Penal Code were launched against 865 defaulting establishments during the year 1987-88 and 5521 cases were pending with the police as on 31st March, 1988. The total number of cases pending in the Courts as on 31st March, 1988 was 372.

3.2 Claims pending settlement

(a) Employees' Provident Fund Scheme.

As on 31st March, 1988, 58093 claims relating to E.P.F. Scheme were pending with the organisation. The position of claims compared to previous years was as under:

Year	Opening Balance	Claims received during the year	Total	Claims returned/ rejected during the year	Claims settled	Balance
1985-86	59,852	6,26,251	6,86,103	1,01,233	5,18,497	66,373
1986-87	66,373	6,57,907	7,24,280	1,09,495	5,48,813	65,972
1987-88	65,972	6,94,719	7,60,691	1,10,596	5,92,002	58,093

Out of 58,093 claims pending settlement as on 31st March, 1988, 9850 claims were pending for period between 2 to 6 months and 953 between 6 months to one year and remaining were stated to be under process.

(b) Employees Family Pension Scheme:

As on 31st March, 1988, 68223 claims (inclusive of benefits i.e. life assurance, retirement and withdrawal benefits etc.) relating to Employees Family Pension Scheme were pending out of which 10928 claims were pending for the period between

2 to 6 months, 2592 claims between 6 to 12 months and 2592 were pending for more than one year.

(c) Employees' Deposit Linked Insurance Scheme:

As on 31st March, 1988, 6210 claims relating to EDLI scheme were pending as against 7782 cases pending as on 31st March 1987. There was a variation in the figures of closing balance as on 31st March, 1987 and opening balance as on 1st April, 1987 shown in the Audit Report for 1986-87.

The organisation admitted (November, 1988) that the figures were subsequently changed in its books as on 1.4.1987 as the figures furnished by the Kerala, Karnataka, Punjab and Rajasthan regions for the report for the year 1986-87 were not correct.

3.3 Arrears of Annual statement of Accounts to subscribers.

The Employees' Provident Fund Scheme, 1952 provides for the issue of annual statement of accounts to the members at the close of every financial year. However, as on 31st March, 1988, the number of pending annual statements of accounts was 144.15 lakhs out of which 74.59 lakhs statements of accounts were stated to have been not issued due to non submission of returns by the employers and 69.55 lakhs statement of accounts due to other reasons viz. accounts at various stages of reconciliation. The details of annual statement of accounts pending for issue are as under:

	Accounts statements Pending for
More than four years	19,99,394
Three to four years	13,63,060
Two to three years	20,66,515
One to two years	35,05,811
Less than one year	54,79,858
	<hr/>
	1,44,14,638
	<hr/>

The number of pending accounts statements had however, increased from 97.72 lakhs as on 31st March, 1987 to 144.15 lakhs as on 31st March, 1988. Out of a total pendency of 144.15 lakhs accounts slips to be issued, Maharashtra Region with a pendency of 46.77 lakhs topped the list (32.45%) followed by West Bengal Region with a pendency of 38.34 lakhs (26.59%).

3.4 Non-levy of damages under section 14-B of the Act.

The dues payable by the employers under Employees' Provident Fund, Family Pension Fund, Employees' Deposit Linked Insurance etc. are required to be deposited with State Bank of India on or before 15th of the month following the month of which the dues relate. However, five days grace period is allowed to the employers for the remittance and thus any remittance made beyond 20th of the following month will be treated as delayed remittance and damages under section 14-B of the Act are leviable on all such delayed remittances.

It was observed that levy of damages was much in arrears and there were 2065 cases as on 31st March, 1988 as against 8165 cases as on 31st March, 1987 in respect of which damages were leviable but had not been levied. Region-wise breakup of number of cases in which damages were yet to be levied as on 31st March, 1988 were as under:

S.No.	Region	No. of cases
1.	Andhra Pradesh	629
2.	Bihar	1831
3.	Delhi	74
4.	Haryana	373
5.	Karnataka	559
6.	Kerala	995
7.	Maharashtra	5130
8.	Orissa	617
9.	Punjab	2228
10.	Rajasthan	186
11.	Tamil Nadu	2980

S.No.	Region	No.of cases
12.	Uttar Pradesh	1753
13.	West Bengal	616
14.	N.E. Region	89
15.	Gujarat	216
16.	Madhya Pradesh	2379

TOTAL: 20665

The number of cases in which damages were leviable but had not been levied had increased inspite of the instructions issued by the organisation to all R.P.F.C s that delay in levying damages should be avoided.

3.5 Declaration of lower rate of interest on Provident Fund Accounts of Exempted establishments.

The position of investment in exempted establishments viz-a-viz unexempted establishments in relation to investment was as under:

Establishment	Amount invested as on 31st March, 1988 (Rs.in lakhs)
Unexempted	7955.07
Exempted	9526.85

Though the total investment by the exempted establishments was more than the amount invested by the unexempted establishments a survey of 1387 out of 2830 total exempted establishments undertaken by the organisation to assess the position in respect of interest declared revealed that 35.91 percent establishments declared lower rate of interest on the Provident Fund accounts than the statutory rate of 11.5% for the year 1987-88.

The main reasons for declaration of lower rate of interest by exempted establishments were as under:

1. Some of the exempted funds were having low yielding securities for large sums and they had not been able to get these converted into high yielding ones as it would result in heavy capital loss to the funds.

2. The rules of some of the exempted establishments did not provide forfeiture of any part of the employer's share and where provisions existed it provided lower rate than the prescribed under E.P.F. Scheme, 1952.

3.6 Loss of interest due to delay in crediting provident fund accounts by bank

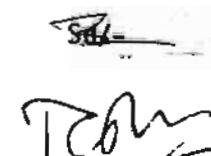
The amounts of provident fund contributions and other dues deposited in and received every day by any branch of State Bank of India are required to be remitted to the link branch on the same day and the link branch in turn is required to credit the same to the relevant receipt accounts of the organisation on the same day or on the next working day.

It was noticed that the receiving branch of the Bank did not remit the day's collection of Provident Fund contributions and other receipts to the link branch on the same day nor did the link branch afford corresponding credits to the relevant receipt accounts immediately on receipt of the challans and branches under its control.

In the West Bengal Region Rs. 2637.95 lakhs (considering only the credits for Rs. 50,000 and above at a time) pertaining to the month of December, 1987 were credited to Account No. 1 by the link branch after a lapse of over two months and Rs. 65.98 lakhs were credited after a lapse of over one month but less than two months from the dates of receiving the amounts from various receiving branches of the bank and its subsidiaries. Due to such delayed credits of receipts made by the Bank, the Organisation suffered a loss of interest of Rs. 22.25 lakhs in December, 1987 alone in West Bengal Region. In the Andhra Pradesh Region also a similar delay ranging from 25 to 35 days was noticed. The organisation stated (Nov.88) that the Regional Commissioners had been advised to ensure that the interest is paid by the State Bank of India on delayed credits/transfer as pointed out by Audit.

Place: New Delhi

Dated: 1.12.88


(M.V. RAMAKRISHNAN) 1-12-88
DIRECTOR OF AUDIT (I)
CENTRAL REVENUES, NEW DELHI-110002