

36th ANNUAL REPORT

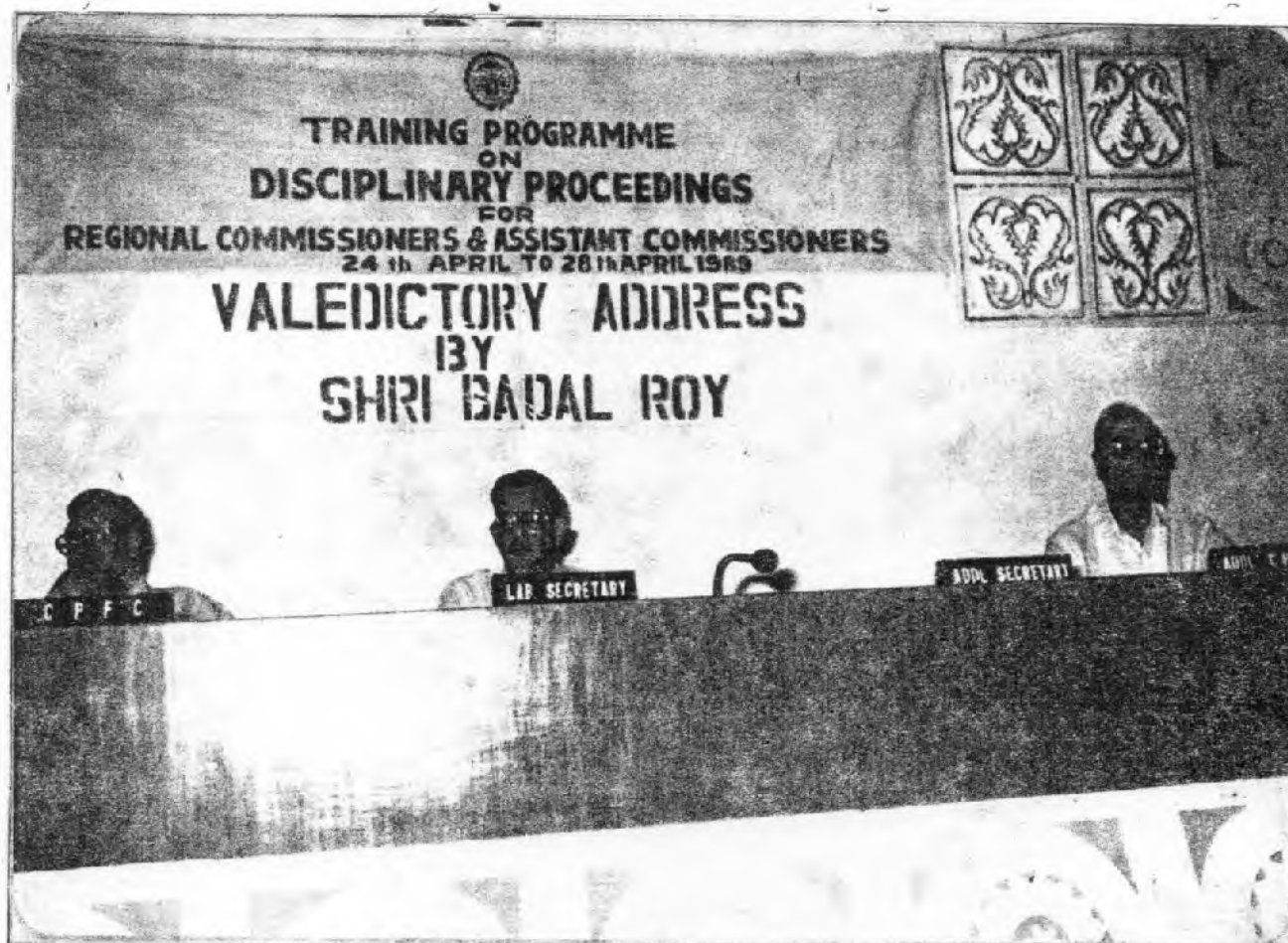
36th ANNUAL REPORT

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1988-1989



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



Valedictory address by Shri Badal Roy, Labour Secretary on the occasion of Training Programme for Regional and Assistant Commissioners.

36th ANNUAL REPORT, 1988-89



EMPLOYEES' PROVIDENT FUND ORGANISATION

The Employee's Provident Funds and Miscellaneous Provisions Act, 1952.

The Employees' Provident Funds Scheme, 1952.

The Employees' Family Pension Scheme, 1971.

The Employees' Deposit-Linked Insurance Scheme, 1976.

OFFICE OF THE

**CENTRAL PROVIDENT FUND COMMISSIONER,
9th Floor, Mayur Bhawan, Connaught Circus,
New Delhi - 110001.**

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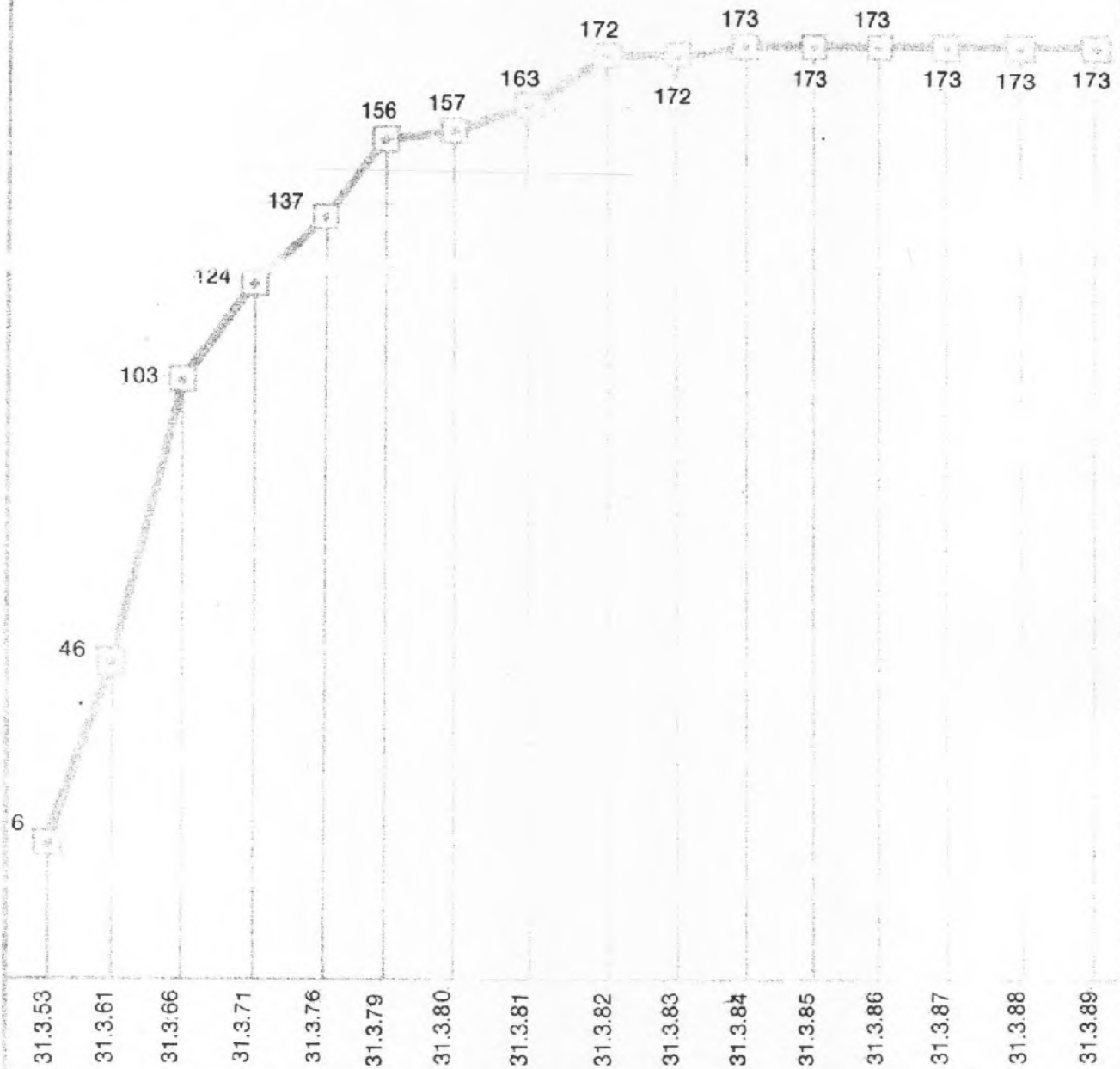
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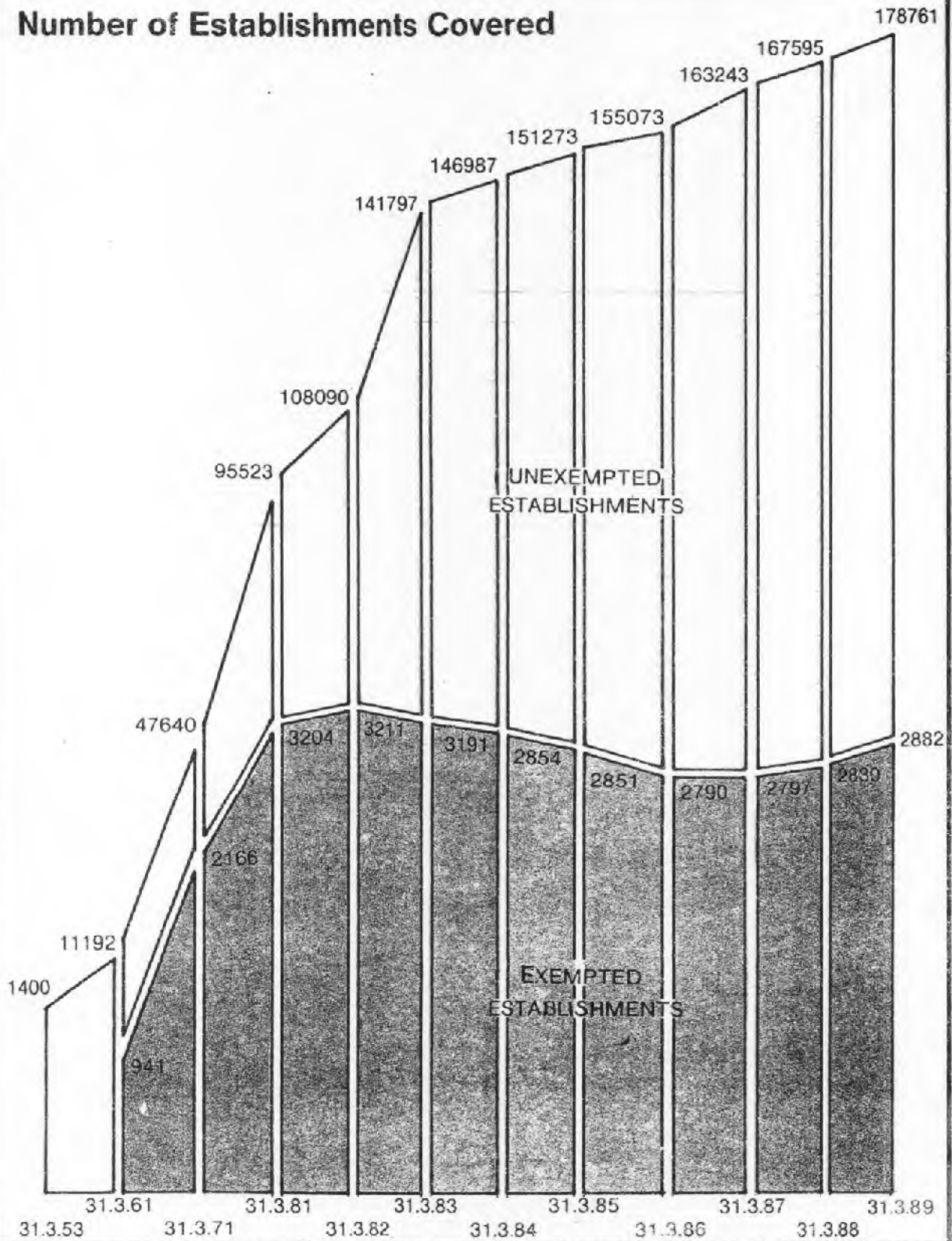
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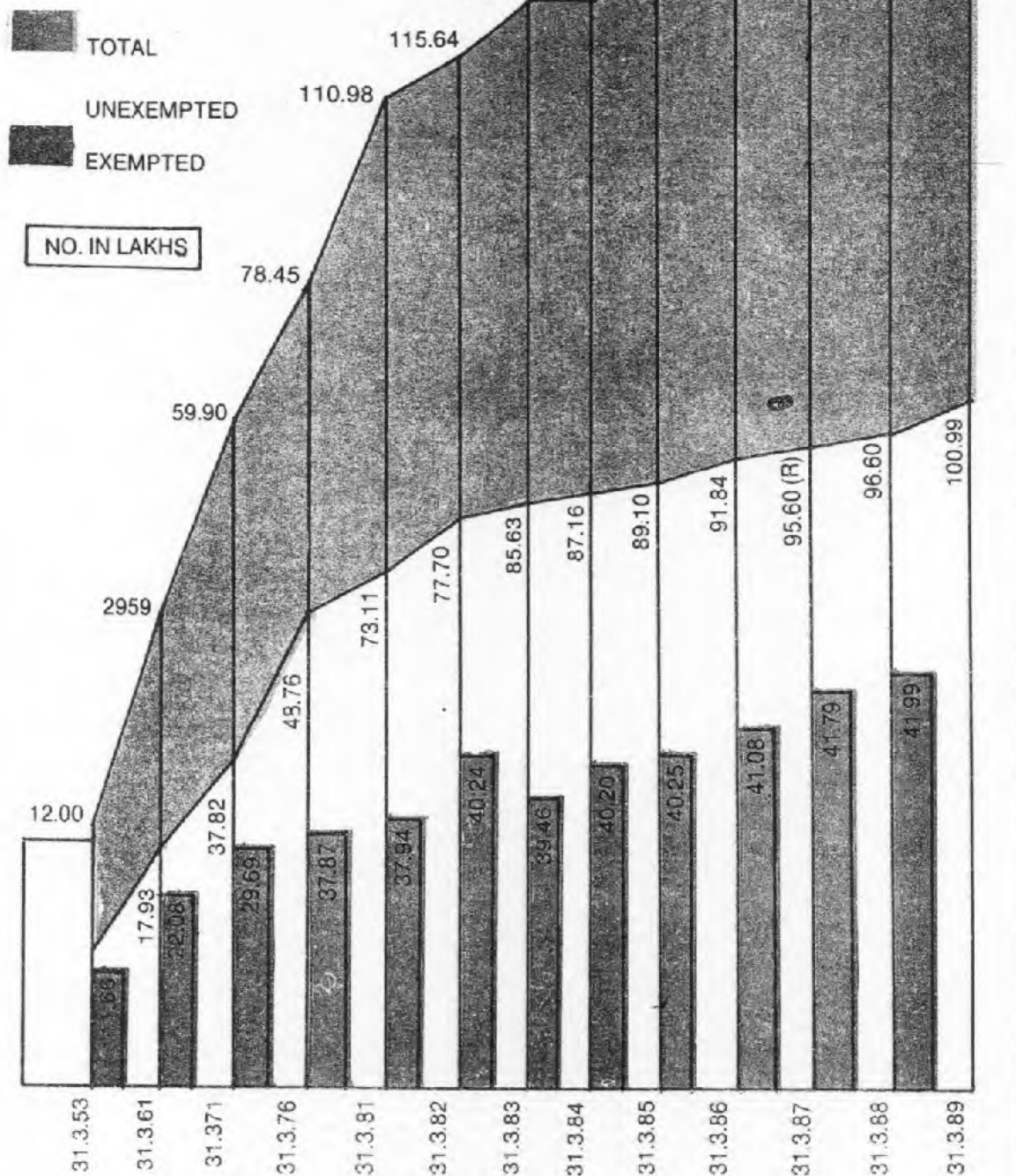
**NUMBER OF INDUSTRIES/CLASSES
OF ESTABLISHMENTS TO WHICH
E.P.F & M.P. ACT 1952 APPLIED**



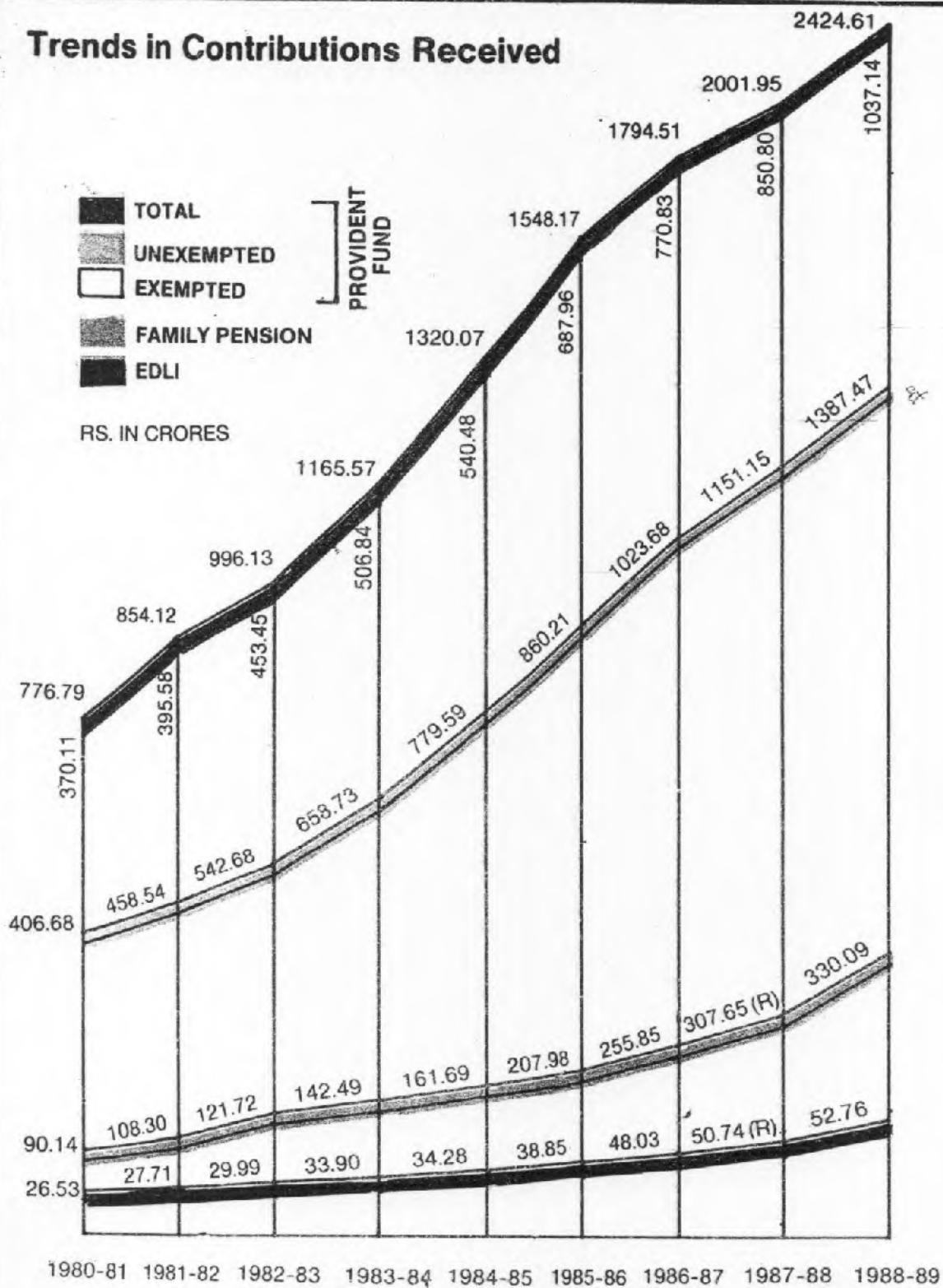
Number of Establishments Covered



Number of Subscribers Covered

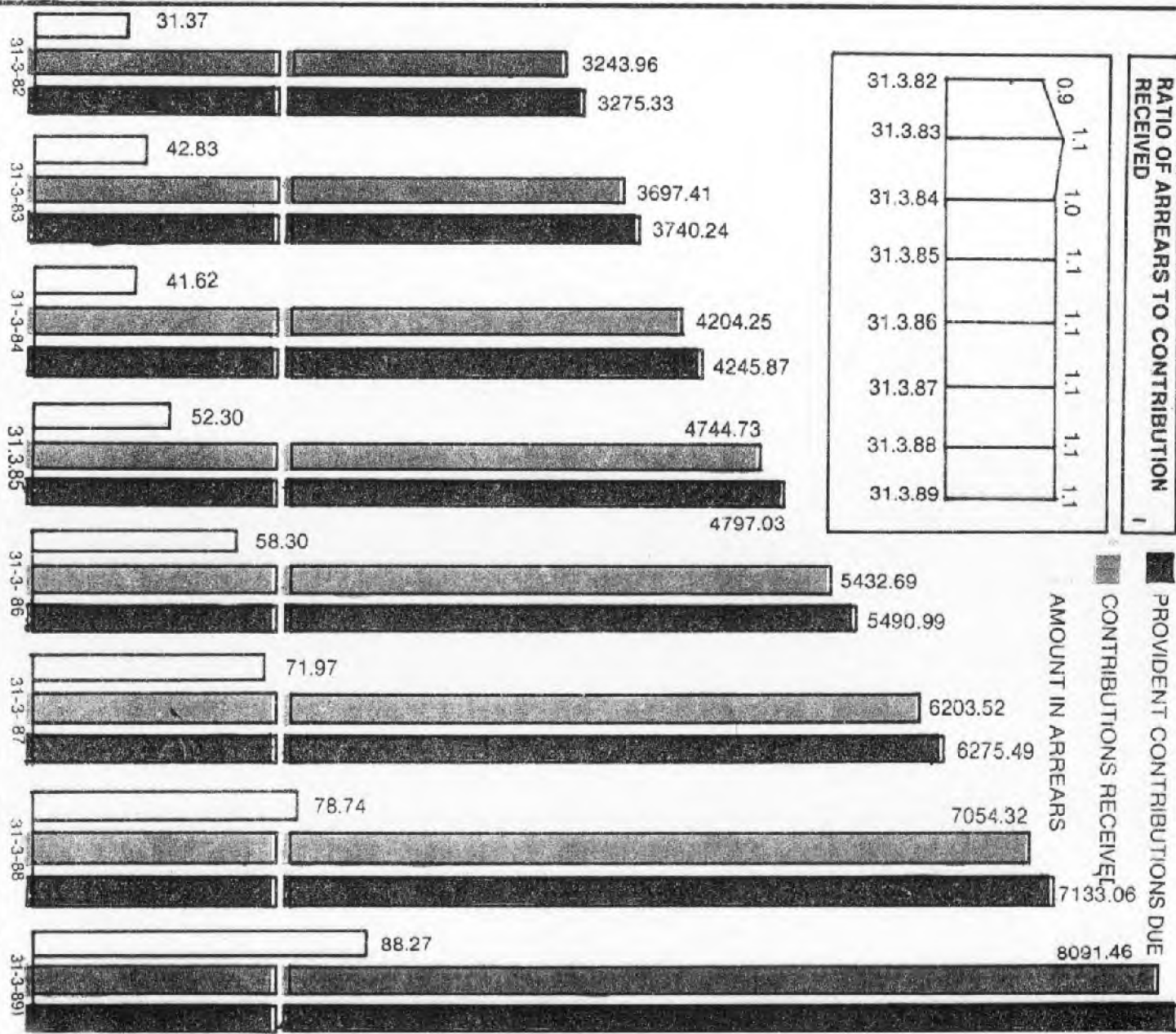


Trends in Contributions Received

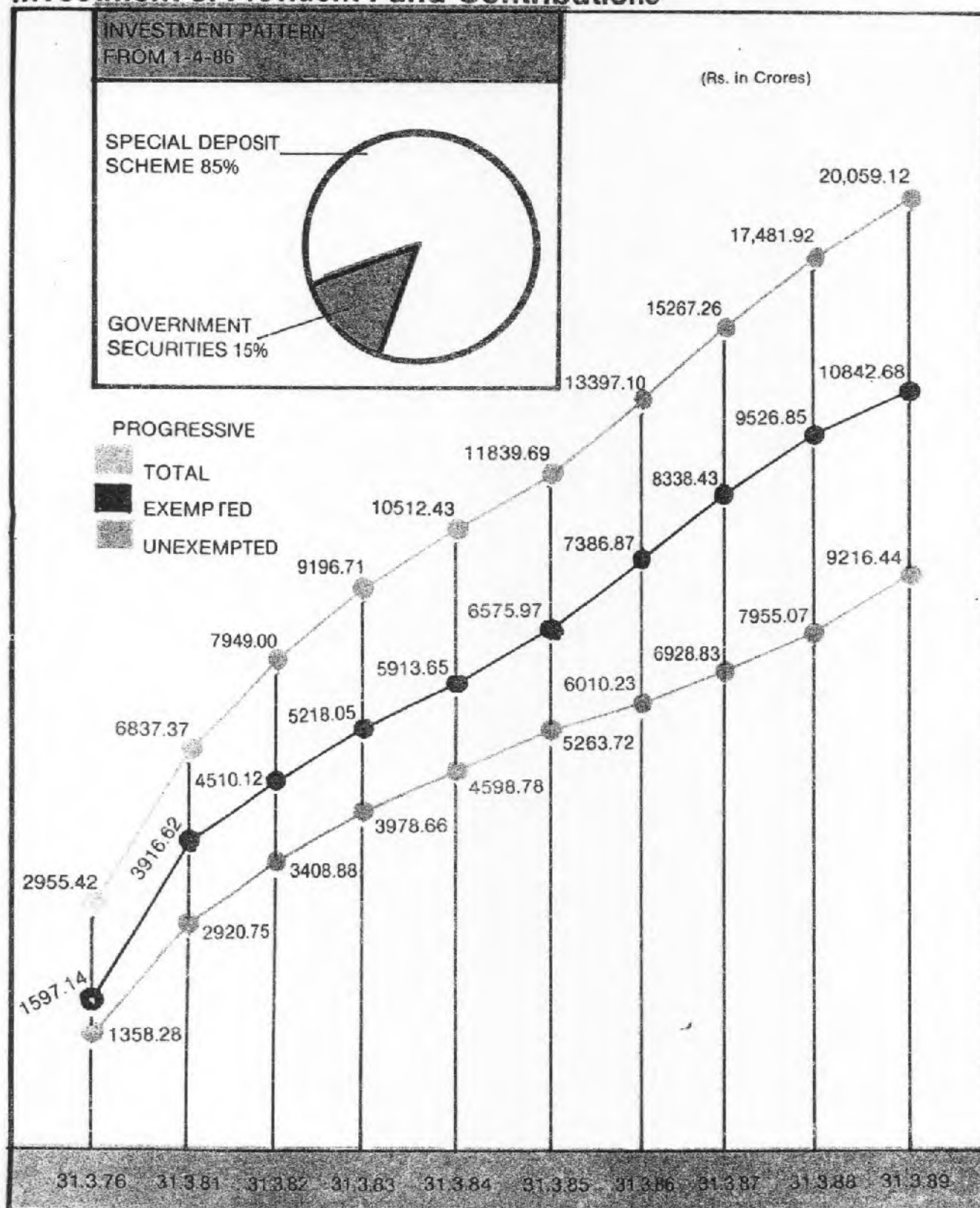


Trends in Provident Fund Contributions and Arrears (Unexempted Establishments)

RS. IN CRORES

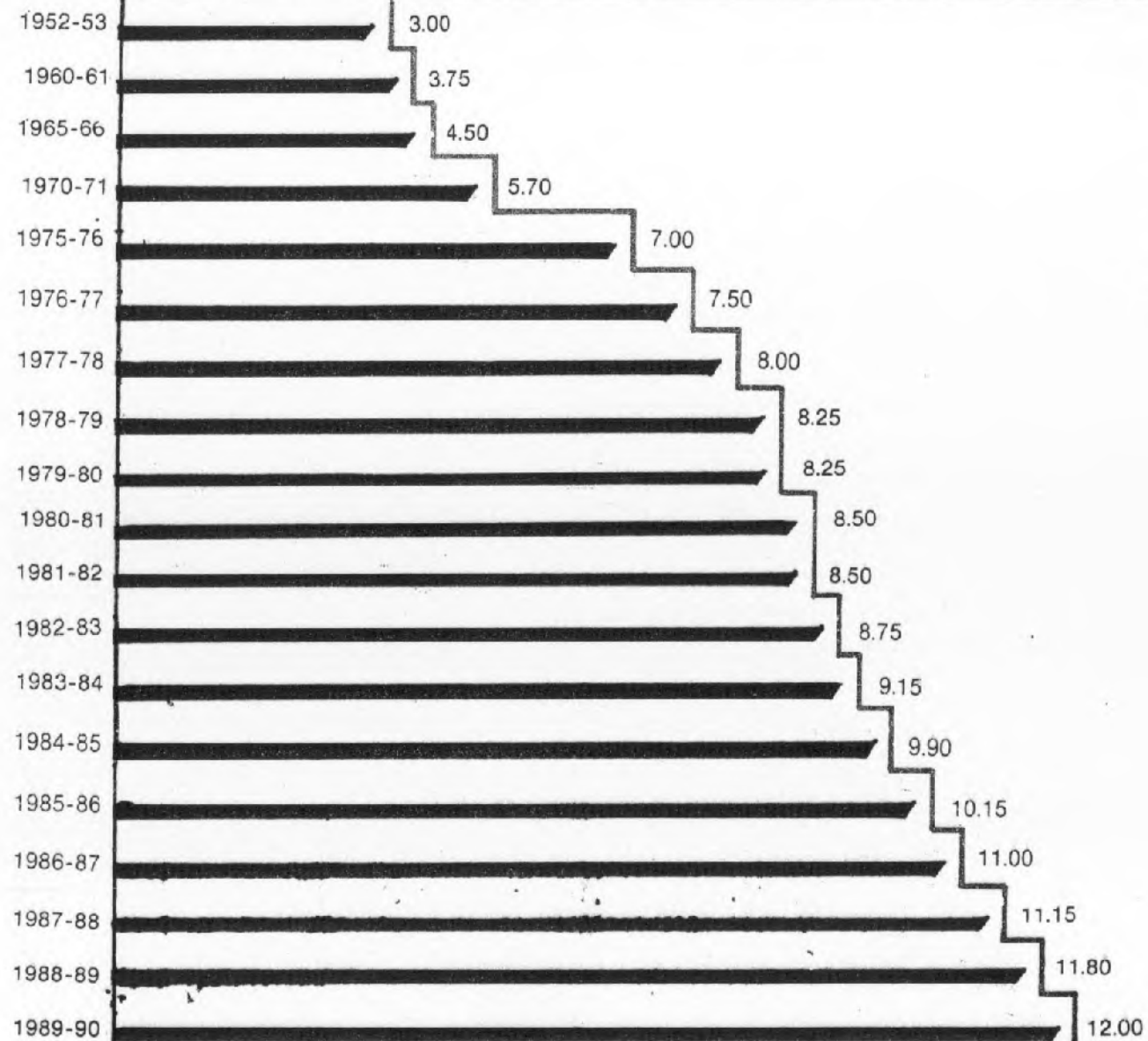


Investment of Provident Fund Contributions



% Rate of Interest on Subscriber's Accumulations

IN PERCENTAGE

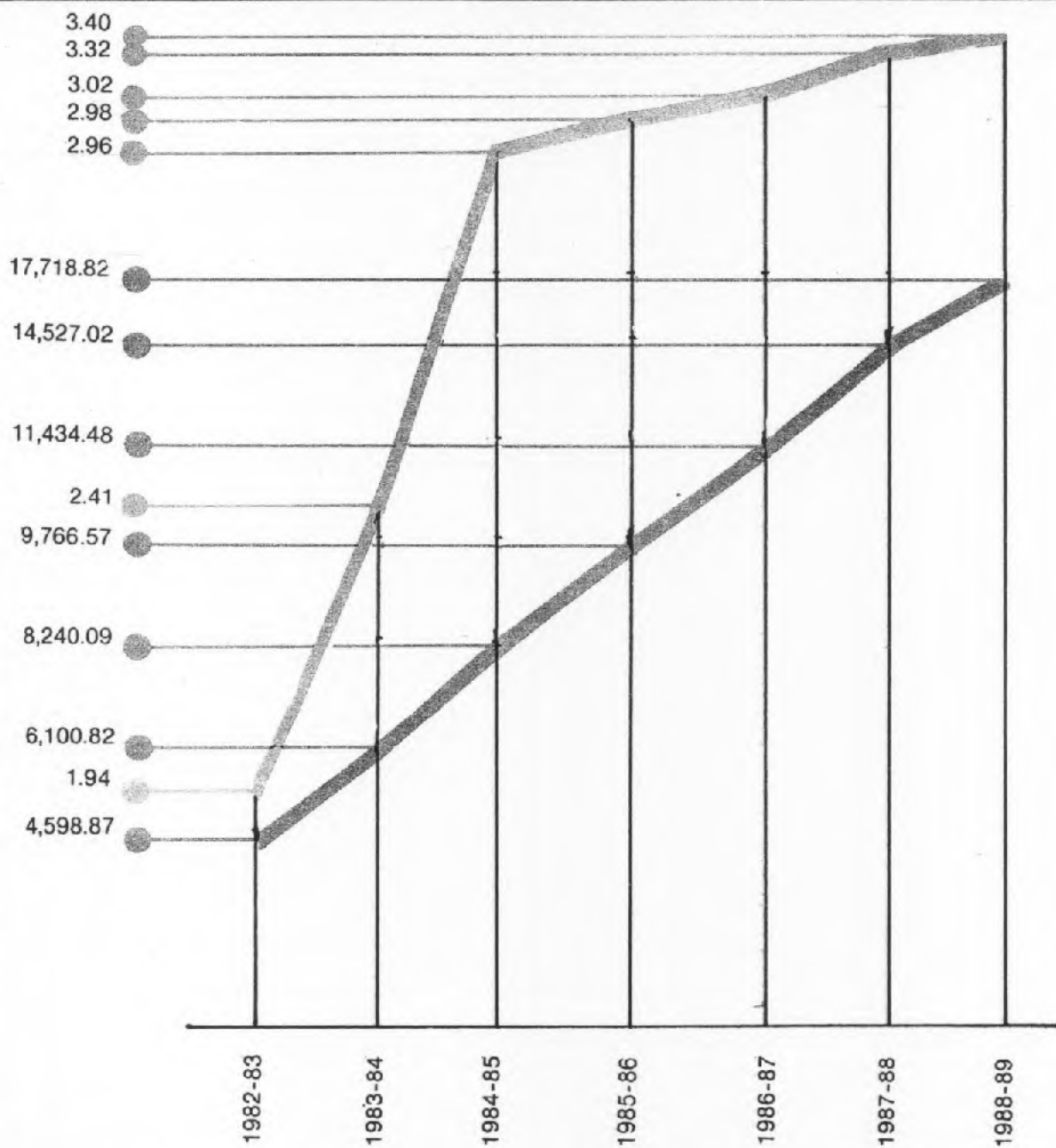


**Trends in withdrawals sanctioned
to Subscribers of
Unexempted Establishments**

(Figures in Lakhs)

**Amount Authorised
for payment**

**Withdrawals sanctioned
(No. of cases)**



Category-wise Withdrawals Sanctioned to Subscribers of Unexempted Establishments

ADVANCES SANCTIONED
BY CATEGORY
(NUMBER)



1987-88

1988-89

MARRIAGE/EDUCATION

ADVANCES SANCTIONED FOR
PAYMENT BY CATEGORY
(RS. N LAKHS)



FINANCING LIFE INSURANCE POLICIES



TEMPORARY CLOSURE OF ESTABLISHMENTS



HOUSE BUILDING WITHDRAWALS



SICKNESS

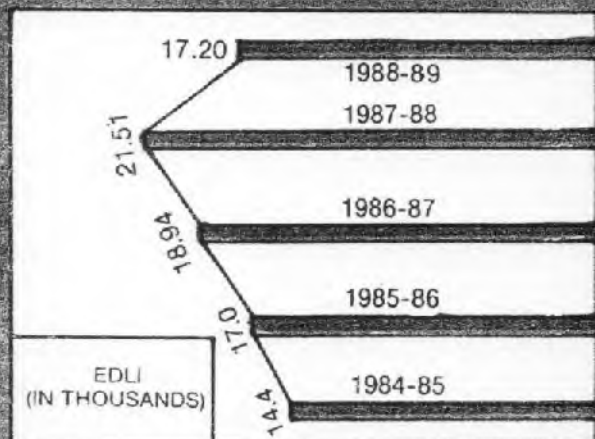
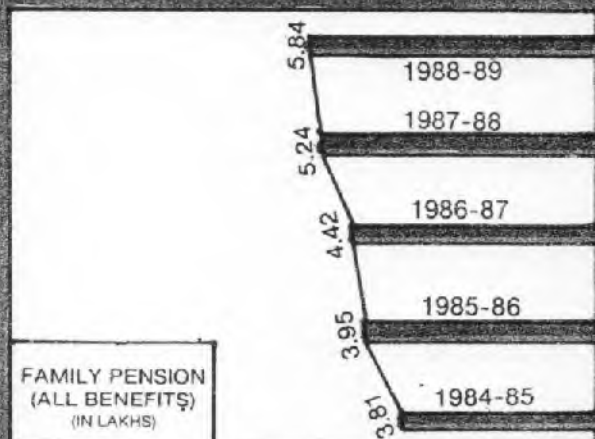
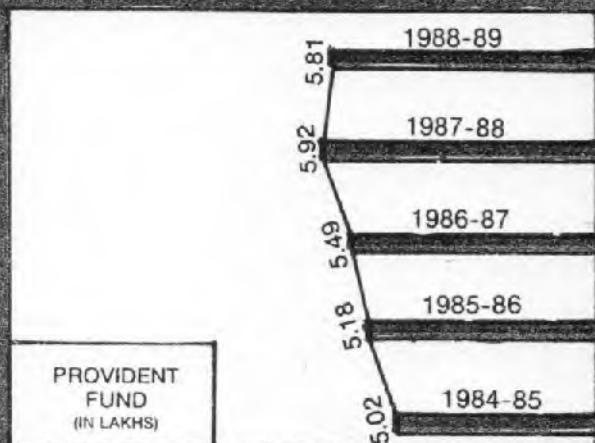


OTHERS

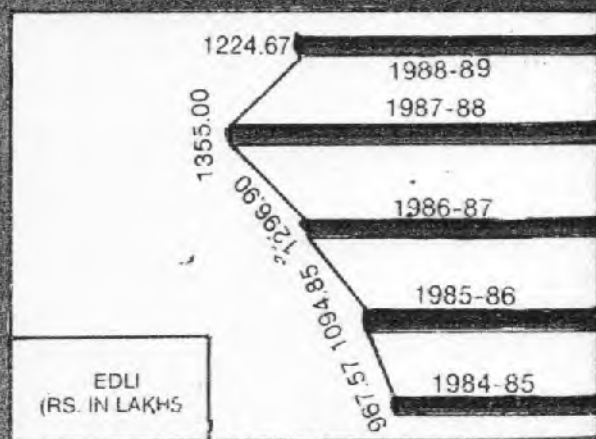
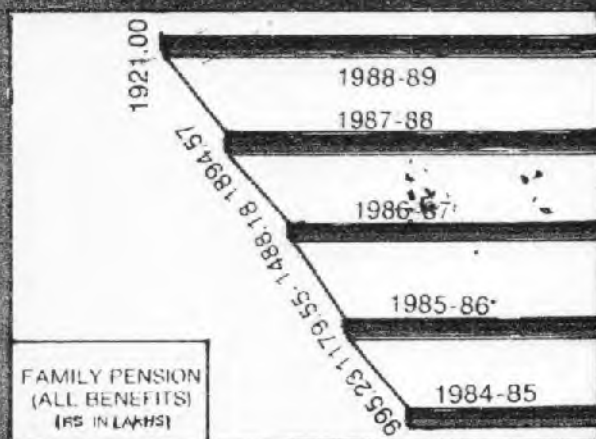
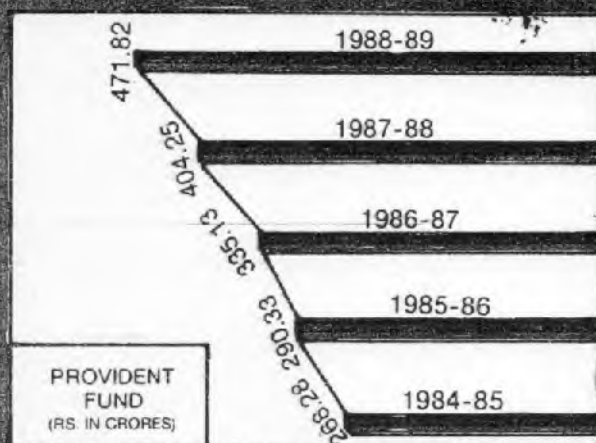


Trends in Settlement of Claims to Subscribers in Unexempted Establishments

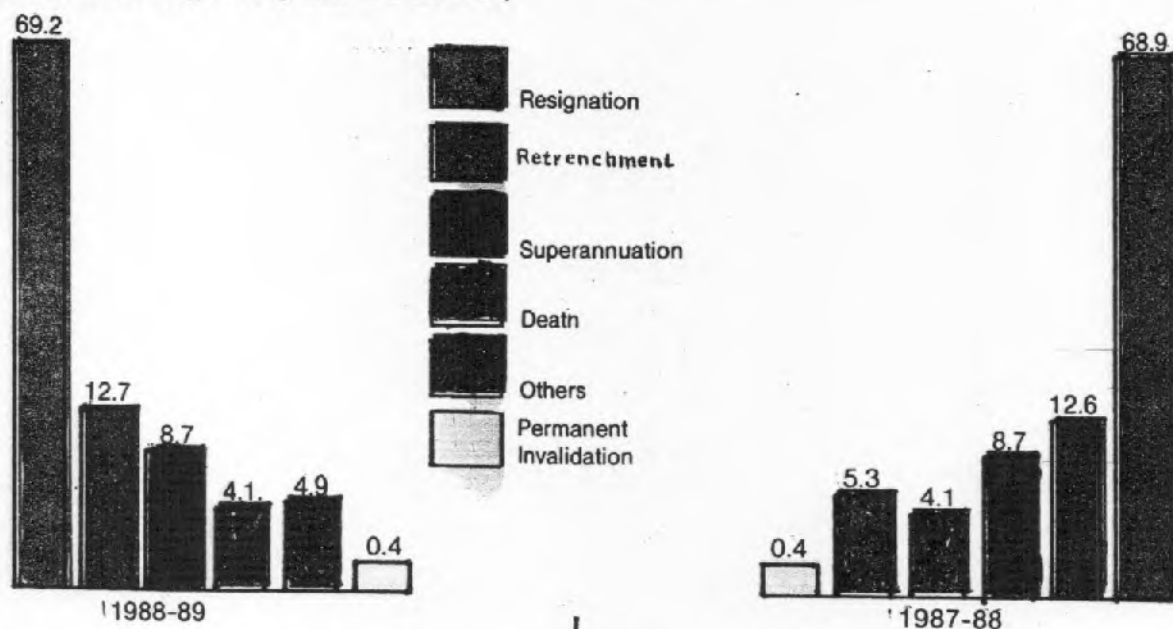
NUMBER OF CLAIMS SETTLED



AMOUNT AUTHORIZED FOR PAYMENT

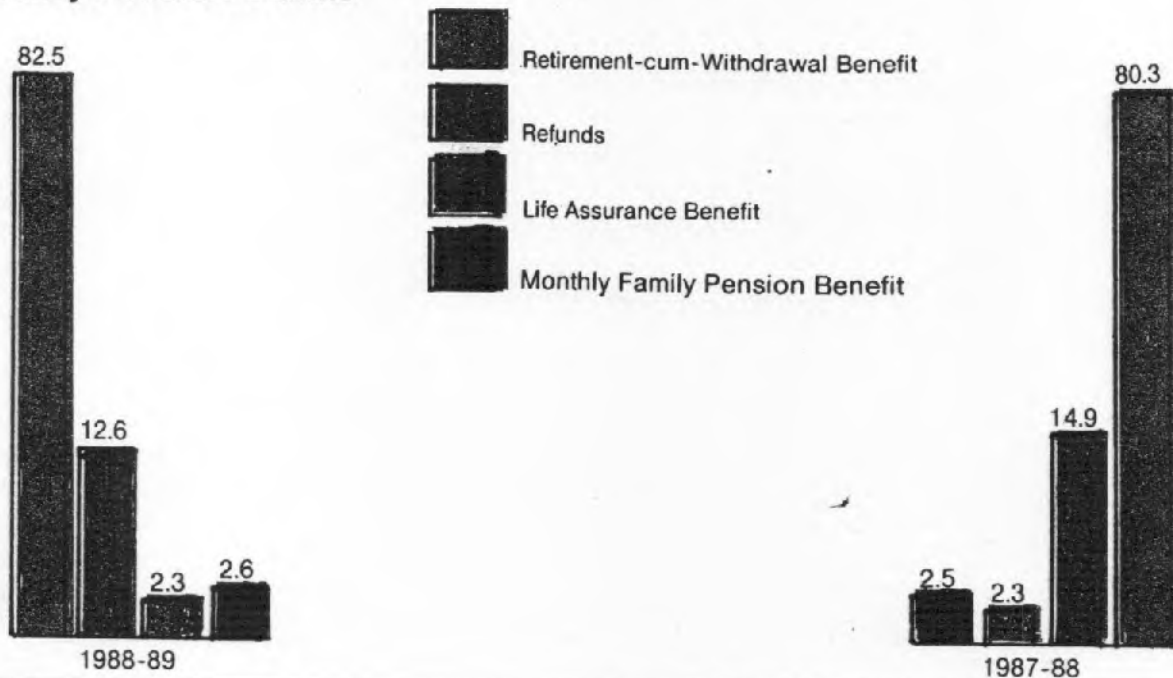


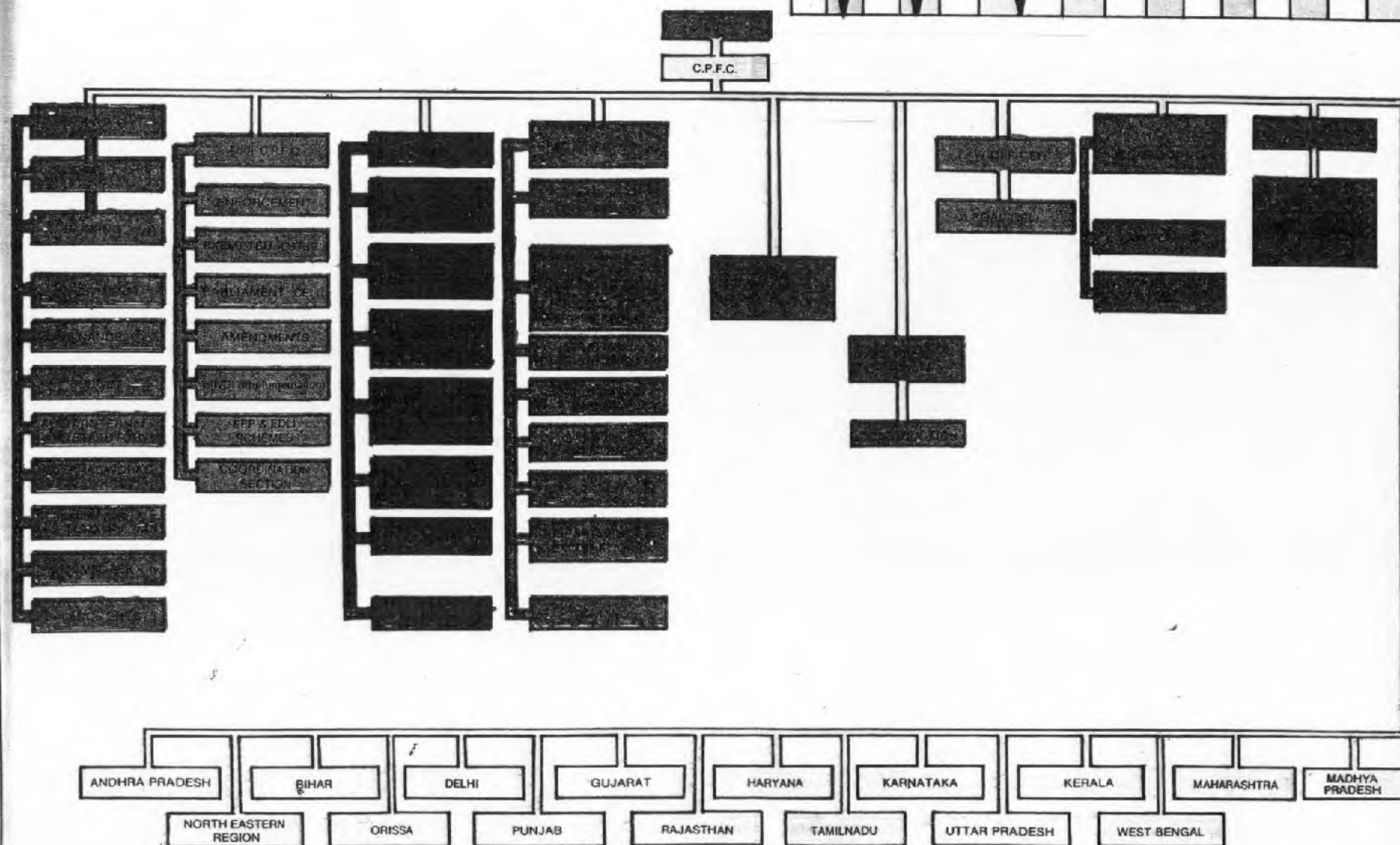
Category-wise Settlement of Provident Fund Claims during the year 1988-89



IN PERCENTAGE

Category-wise Settlement of Family Pension Claims





IMPORTANT STATISTICS AT A GLANCE-1988-89

COVERAGE

- I. No. of Industries/Classes of Establishments to which EPF and MP Act, 1952 applied as on 31-3-1989 .

173

	<u>Exempted</u>	<u>Un-exempted</u>	<u>Total</u>
II. (a) No. of covered establishment as on 31-3-89	2882 (2830)	178761 (167595)	181643 (170425)
(b) Increase during the year	52	11166	11218
III. No. of subscribers (in lakhs)			
(a) Employees' Provident Fund as on 31-3-89	41.99 (41.79)	100.99 (96.60)	142.98 (138.39)
(b) Increase during the year	0.20	4.39	4.59
(c) Family Pension Fund as on 31-3-89	26.52 (25.73)	73.46 (68.81)	99.98 (94.54)

CONTRIBUTIONS

- IV. Contributions received

(Rs. in crores)

- (a) Employees' Provident Fund

- (i) During the year

1387.47 (1151.15)	1037.14 (850.80)	2424.61 (2001.95)
----------------------	---------------------	----------------------

- (ii) Progressive

11293.08	8091.46	19384.54
----------	---------	----------

Employees &
Employers
share

Govt.'s
share

Total

- (b) Family Pension Fund

- (i) During the year

244.41 (205.10)	85.68 (102.55) (R)	330.09 (307.65)(R)
--------------------	-----------------------	-----------------------

- (ii) Progressive

1489.56	552.55	2042.11
---------	--------	---------

- (c) Employees' Deposit Linked Insurance Fund

Employers'
share

- (i) During the year

36.17 (33.83)	16.59 (16.91) (R)	52.76 (50.74)(R)
------------------	----------------------	---------------------

- (ii) Progressive

296.61	135.39	432.00
--------	--------	--------

(R) Revised.

ARREARS

V. Contributions in arrears	(Rs. in crores)	
(a) Employees' Provident Fund		
(i) Unexempted establishments under closure, liquidation etc.	32.77	(27.30)
(ii) Other unexempted establishments	55.50	(51.44)
Total Arrears	88.27	(78.74)
(iii) Arrears of exempted Establishments	129.56	(111.43)
(iv) Total arrears as percentage of total contributions received (exempted + unexempted)	1.1%	(1.1%)
(b) Employees' Family Pension Fund.	9.05	(7.40)
(c) Employees' Deposit Linked Insurance Fund (from Employees) —		
(i) E.D.L.I. contributions	2.96	(2.38)
(ii) Admn. & Inspection charges	1.17	(1.17)
(d) Amount due from the Govt. on account of —		
(i) Family Pension contributions	36.52	(51.02)
(ii) Administrative Charges	1.71	(4.76)
(iii) E.D.L.I. contributions	1.50	(0.27)
(iv) Administrative Charges	1.71	(1.43)
	<u>41.44</u>	<u>(57.48)</u>

INVESTMENTS

VI. Net Investment (Rs. in crores)	<u>Exempted</u>	<u>Un-exempted</u>	<u>Total</u>
(a) Employees' Provident Fund —			
(i) During the year	1315.83 (1188.42)	1265.03 (1030.74)	2580.86 (2219.16)
(ii) Progressive	10842.68	9216.44	*20059.12

*After providing Rs. 3.66 crores on account of withdrawals of securities.

(b) Employees' Family Pension Fund (Rs. in crores)

	Employees' and Employers' share	Govt. share	Interest credited	Arrears realised upto 87-88 & invested	Total
(i) During the year	196.10 (205.10)	85.68 (51.53)	215.47 (160.72)	51.02 (18.97)	548.27 (436.32)
(ii) Progressive	1441.25	501.02	--	--	--
(iii) Investment in public account as on 31-3-89	--	--	--	--	2920.61

(c) Employees' Deposit Linked Insurance Fund (Rs. in crores)

	Employer's share	Govt.'s share	Interest earned (on securities & Public Account)	Investment of securities redeemed	Arrears realised up to 1987-88 and invested	Total
(i) During the year	23.93 (33.83)	16.59 (16.64)	41.38 (30.96)	3.48 (4.80)	0.27 (0.36)	85.65 (86.59)
(ii) Investment in securities and deposit in public account as on 31-3-1989						548.98

RATES OF INTEREST

VII. Declared for subscribers to Employees' Provident Fund	11.80% for 1988-89 12.00% for 1989-90
--	--

CLAIMS

VIII. (a) Settlement of Provident Fund claims (Unexempted)	Settled (No. lakhs)	Amount (Rs. crores)	Pending (No. lakhs)
(i) During the year	5.81 (5.92)	471.83 (404.25)	0.54 (0.58)
(ii) Progressive	90.71	3142.65	
(b) Employees' Family Pension Fund claims (all benefits)		(Rs. lakhs)	
(i) During the year (excluding payments on account of monthly family pension)	5.84 (5.24)	1921.00 (1894.57)	0.60 (0.68)
(ii) Progressive	37.37	10045.93	--

	Settled (No.)	Amount (Rs. lakhs)	Pending (No.)
(c) Monthly Family Pension claims			
During the year	14934 (13109)	*2910.00 (1766.73)R	4361 (4592)
(d) Employees' Deposit Linked Insurance Fund claims			
(i) During the year	17201 (21515)	1224.67 (1355.00)	5614 (6210)
(ii) Progressive	146273	9244.35	

WITHDRAWALS

- IX. Withdrawals sanctioned and amount authorised for payment to subscribers.
(Un-exempted establishments)

	No. of Advances (No. lakhs)	Amount involved (Rs. crores)	Pending (No. lakhs)
(i) During the year	3.40 (3.32)	177.18 (145.27)	0.25 (0.23)
(ii) Progressive	52.34	901.67	

- XI. Action against defaulting establishments :

(a) Prosecution cases under section 14 of the Act	Launched	Decided	Pending (Progressive)
(i) Employees' P.F. Scheme	6539	2465	52502
(ii) Employees' F.P. Scheme	2759	751	17066
(iii) Employees' D.L.I. Scheme	2555	638	14605
(b) Recovery certificates under Section 8 of the E.P.F. & M.P. Act, 1952.			

	Issued during the year		Decided		Pending (Progressive)	
	No. of cases	Amount (Rs. in lakhs)	No. of cases	Amount (Rs. in lakhs)	No. of cases	Amount (Rs. in lakhs)
(i) Employees' P.F. Scheme	6018	2587.11	4070	1185.12	31793	11466.37

*This relates to payments towards monthly Family Pension for all beneficiaries in receipt of monthly Family Pension.

	Issued during the year		Decided		Pending (Progressive)	
	No. of cases	Amount (Rs. in lakhs)	No. of cases	Amount (Rs. in lakhs)	No. of cases	Amount (Rs. in lakhs)
(ii) *Employees' F.P. Scheme	3974	193.41	2867	67.79	20326	721.59
(iii) E.D.L.I. Scheme	3485	84.95	2336	44.09	18337	285.43

*Provisional

(c) Prosecution cases under section 406/409 IPC (Unexempted establishments)

	Before the Police Authorities	Before the Courts
(i) Filed during the year	770	108
(ii) Challans filed/cases decided	(a) Filed before Courts 108 (b) Dropped by Police 28	(a) Convicted 18 (b) Acquitted 1 (c) Dismissed 2
(iii) Cases pending before police/courts as on 31-3-89	Before Police 6166	Before Courts 459

ANNUAL STATEMENTS OF ACCOUNTS (UN-EXEMPTED ESTTS. ONLY)

	(No. in lakhs)
(a) Issued during the year	123.97 (126.28)
(b) Pending as on 31-3-89	
(i) For want of Returns from Employers	77.82
(ii) Others	69.39

- (i) Figures in brackets indicate the corresponding position during the year 1987-88.
- (ii) Figures in respect of total contributions to Employees' Provident Fund, Family Pension Fund and Employees' Deposit Linked Insurance Fund, figures in respect of investments and figures in respect of payments made under these Schemes are provisional and subject to audit.
- (iii) The amount of contributions in arrear (Employees' Provident Fund) is the assessed arrears under section 7-A of the Act and does not include arrears of administration charges/damages.
- (iv) The data given in the Annual Report are based on the reports/returns submitted by the Regional Offices.

II. SALIENT FEATURES AND PERFORMANCE HIGHLIGHTS-1988-89

II.1 The increase in the number of covered establishments during the year was 11218 and the increase in the number of subscribers was 4.59 lakhs taking the number of subscribers covered under the Act to 142.98 lakhs employed in 181643 factories/establishments falling under 173 scheduled Industries/Classes of establishments.

II.2 The Statutory rate of P.F. contribution was raised from 6.1/4% to 8.1/3% of basic wages, dearness allowance (including the cash value of any food concession) and retaining allowance (if any) payable to each employee with matching contribution from the employer with effect from 1-8-1988.

II.3 The contributions received during the year under report under the three Schemes amounted to Rs. 2807.46 crores as against Rs. 2360.34 crores received during the previous year registering an increase of 19%. The total contributions received under all the three Schemes since inception amounted to Rs. 21858.65 crores.

II.4 The investments of Provident Fund moneys by both exempted and unexempted sectors registered an increase of 16.30%. During 1988-89, the net investment was Rs. 2580.86 crores as against Rs. 2219.16 crores during 1987-88.

II.5 Owing to continued sickness in certain industries such as Jute and Textiles coupled with energy crisis the upward trend in the arrears of contributions continued in spite of efforts made by the Organisation. The arrears of Provident Fund contributions in un-exempted establishments had risen from Rs. 78.74 crores as on 31-3-88 to Rs. 88.27 crores as on 31-3-89 and in exempted establishments from Rs. 111.43 crores as on 31-3-88 to Rs. 129.56 crores as on 31-3-89. However, the percentage of total arrears to total contributions received remained at the same level of 1.1%.

II.6 The rate of interest payable to the subscribers on their Provident Fund accumulations has been progressively going up over the years and an interest of 12% has been declared for the year 1989-90 as against 11.80% for the year 1988-89.

II.7 Three more Sub-Regional Offices at Warangal in Andhra Pradesh, Bhagalpur in Bihar and Jalpaiguri in West Bengal were opened during the year under review with the object of taking the service to the doorsteps of the subscribers. There were 16 Regional Offices and 45 Sub-Regional Offices functioning in the Organisation at the end of March, 1989.

II.8 The Regional Commissioners, in exercise of powers conferred on them under section 7A of the Act, determined dues in 14230 cases during the year as against 13846 cases during the previous year.

II.9 6539 prosecutions were launched under section 14 of the Act for default in the remittance of Provident Fund dues. For non-payment of the employees' share of contributions deducted by the employers from the wages of the workers, F.I.R. under section 406/409 I.P.C., were filed with the Police authorities in 770 cases.

II.10 During the year, 5.81 lakh Provident Fund claims were settled authorising payment of Rs. 471.83 crores. Claims settled registered a decrease of 1.8% but amount authorised went up by 16.72% during the year under review. Partial

withdrawals were granted to subscribers from their Provident Fund accumulations to meet their economic and social needs. A sum of Rs. 177.18 crores was withdrawn by 339861 applicants of unexempted establishments during the year.

II.11 5.84 lakhs Family Pension Claims (all benefits) were settled as against 5.24 lakhs claims settled during the previous year. A sum of Rs. 19.21 crores was paid to the members/beneficiaries. In addition a sum of Rs. 29.10 crores was paid to the monthly Family Pensioners.

II.12 The benefit of monthly family pension was extended to 14934 families of the deceased subscribers during the year under review as against 13109 cases during the previous year.

II.13 Under EDLI Scheme, the Organisation provided insurance benefit to 17201 heirs/widows of the deceased subscribers and paid a sum of Rs. 12.25 crores. The beneficiaries decreased by 20.05% over the previous year.

II.14 For effective monitoring of the working of exempted estts., like the previous years the month of May 1989 was observed as exempted estts. month. During this month all exempted estts. were inspected by the Field Officers. The data collected during these inspections were analysed to bring about improvements in the working of the exempted funds.

II.15 To tone up efficiency in the offices of the Organisation and improve quality of service to the members, the Organisation took a series of measures which included, monitoring the performance of the regions in key functional areas at regular intervals and monthly evaluation of productivity of accounts clerks in Regional and Sub-Regional Offices, in the matter of issue of accounts slips, settlement of claims, grant of advances etc.

II.16 During the year 1988-89, the Organisation showed improvement in most of its functional areas and efforts are on to bring about further improvements in the working of the Organisation.

III. ORGANISATION

Introduction

III.1 India being a welfare State, the responsibility of the State towards weaker sections of the society is well recognised, and is embodied in the Constitution of India, in Part IV under the Chapter Directive Principles of State Policy.

III.2 In pursuance of the objectives enshrined in the Constitution, a series of legislations have been enacted by the Government for providing social security cover to the working class.

III.3 The Employees' Provident Funds Act was enacted in 1952 with the object of instituting compulsory contributory provident funds for the employees to which both the employees and the employers would contribute. The Employees' Provident Funds Scheme was accordingly framed and it came into effect from 1st November, 1952.

III.4 On a review of the working of the Scheme over the years it was felt that Provident Fund was no doubt an effective old age and survivorship benefit but in the event of death in harness of the employees, the accumulations in the Provident Fund might not be adequate to render long term sustenance to his family. This led to the amendment of the Act and introduction of Employees' Family Pension Scheme with effect from 1st March, 1971 for the employees covered under the Act and the creation of Family Pension Fund by diverting a portion of employees' and employers' share of contributions from the Provident Fund supplemented by a contribution from the Central Government.

III.5 It applied compulsorily to all the employees who become members of Provident Fund from 1st March, 1971. Such of the employees who were already members of Provident Fund on 28th February, 1971 were given option to join the Family Pension Scheme, within a specified time limit.

III.6 The employees who were members of Provident Fund as on 28th February, 1971 but had not exercised option to join the Family Pension Scheme within the stipulated period have been through an amendment to this Scheme carried out with effect from 1st April, 1988 given the option to join the Family Pension Scheme at any time during their membership of Provident Fund, provided they pay the arrears of Family Pension contributions with effect from 1st March, 1971 with interest thereon.

III.7 The Family Pension Scheme is financed by employees' share of contributions @ 1.1/6% of pay diverted from the Provident Fund contributions with matching contributions by the employers. The Central Government also contributes @ 1.1/6% of the pay of the members of this fund.

III.8 In the year 1976, the Act was further amended with a view to introducing another social security measure to provide an insurance cover to the members of Provident Fund in covered establishments without payment of any premium by such members. The insurance cover is linked to the deposits standing at the credit of the provident fund accounts of the deceased members subject to a maximum entitlement of Rs. 10,000/-. This scheme came into force from 1st August, 1976. The

employers of covered establishments and the Central Government contribute at the rate of 0.5% and 0.25% respectively of the pay of the members to provide funds for this Scheme.

III.9 The Act which initially covered only 6 major industries with a total membership of 12 lakh subscribers employed in 1,400 establishments now cover 173 industries/classes of establishments as on 31st March, 1989. The number of workers as on 31st March, 1989 coming under the purview of the Employees' Provident Funds Scheme and the Employees' Deposit Linked Insurance stood at 142.98 lakhs. Out of the above, the number of workers covered under the Employees' Family Pension Scheme was 99.98 lakhs as on 31st March, 1989. The three Schemes provide a broad nucleus of social security system for the workers in covered industrial and other establishments in India employing 20 or more persons. In terms of coverage these Schemes have the largest membership in the world.

III.10 During the year under report efforts were made to bring about improvements in the working of the three Schemes. This is evidenced by improvement in important areas of work of the Organisation.

ADMINISTRATION OF THE SCHEMES

Central Board of Trustees

III.11 The three Schemes are administered by the Central Board of Trustees, a tripartite body consisting of a Chairman, appointed by the Central Government, 5 representatives of the Central Government, 15 representatives of the State Governments, 6 representatives of the Organisations of Employers and 6 representatives of the Organisations of Employees. During the major part of the year under report, Shri Bindeshwari Dubey, Union Labour Minister was the Chairman of the Board.

III.12 A list containing the names and addresses of the members of the Board as on 31st March, 1989 is given in Appendix 'A'. During the year under report, three meetings of the Board were held to administer the funds vested in it in the manner as specified in the Schemes.

Committees of the Board

III.13 To cope with the increasing volume of work, the Central Board of Trustees had constituted three Committees to assist them in the discharge of their multifarious functions. Each of these Committees has a strength of six members, each representing the employees, the employers and the Government in equal numbers.

(i) GENERAL PURPOSE COMMITTEE

This Committee was set up to consider :--

- (a) all matters relating to administration of the Employees' Provident Funds and Miscellaneous Provisions Act and the Schemes, Organisation, buildings and administration of Central, Regional and Sub-Regional Offices;
- (b) Budget proposals, Audit reports of the Comptroller and Auditor General, before these are placed before the Board; and

- (c) such other matters as may be referred to it by the Central Board of Trustees from time to time.

III.14 During the period under report, the Committee had one sitting. The recommendations of the Committee were subsequently placed before the Central Board of Trustees. It also examined the cases of various defaulting establishments for grant of instalment facilities and gave suitable directions wherever necessary.

(ii) FINANCE & INVESTMENT COMMITTEE

III.15 The Committee was set up--

- (a) to oversee the investments done by the Reserve Bank of India;
- (b) to watch timely investment of trust money with a view to realising the optimum return thereon;
- (c) to give such directions as may be necessary to the Reserve Bank of India in regard to investment/reinvestment of redemption proceeds and interest etc. within the investment pattern approved by the Central Government from time to time; and
- (d) to consider and recommend rate of interest for the members of the Employees' Provident Fund.

III.16 The Committee held one meeting during the year under report. Its important recommendations, *inter alia*, included determination of the rate of interest for the year 1989-90. The Committee considered the question of automatic transfer of securities on cancellation of exemption etc. to the C.B.T., E.P.F. and desirability of having a deeming provision in the Act/Scheme. Further, the committee had examined the report of special committee set up by the C.B.T., E.P.F. and made recommendations for simplification of the procedure of settlement of E.P.F. and E.D.L.I. claims.

(iii) COMMITTEE ON EXEMPTED ESTABLISHMENTS

III.17 The Committee was set up to suggest ways and means to improve the working of the Exempted Funds. The Committee held two meetings during the year under report and reviewed the position of defaults, reasons for declaration of lower rate of interest by the exempted establishments, the functioning of common provident fund establishments, issuance of annual statements of accounts, and position with regard to defalcation of Provident Fund monies by the exempted Funds. The recommendation of the Committee for joint signature of the representatives of the employees and the employers of the Boards of Trustees of the exempted establishments for disbursement of provident fund amount has been accepted by the Government and has since been implemented.

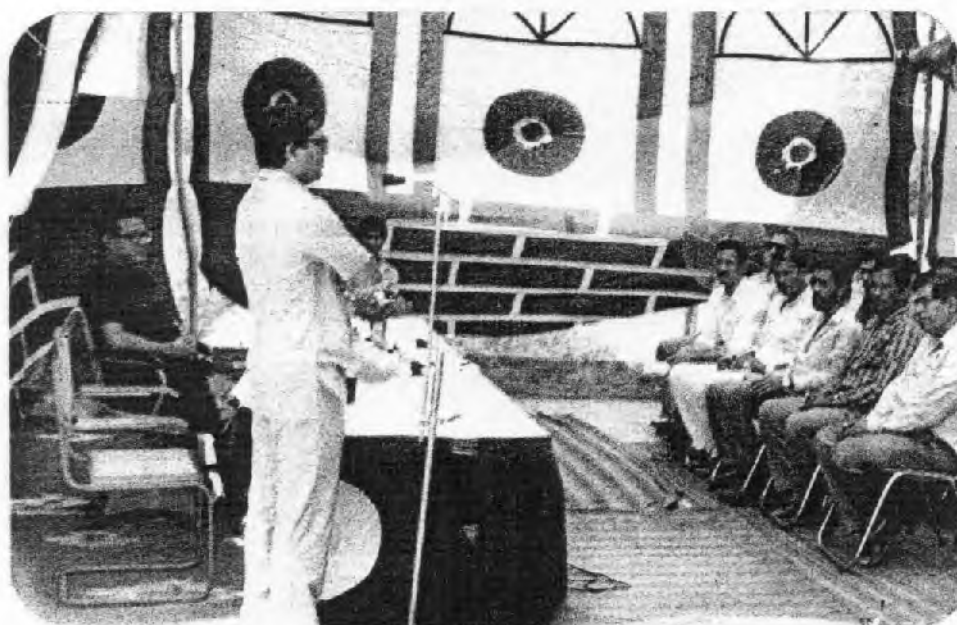
Other Committees

III.18 COMMITTEE TO REVIEW THE UTILISATION OF SPECIAL RESERVE FUND

The Committee was reconstituted in January, 1986 as reported earlier to review the utilisation of Special Reserve Fund. During the year, one meeting of the



Opening of an Inspectorate office at Hissar by Central Provident Fund Commissioner



Regional Provident Fund Commissioner, Haryana addressing the gathering of employees, employers and trade union representatives. It was followed by an open session for the subscribers.

Committee was held on the 11th April, 1988. The Committee could not meet subsequently due to the sudden demise of one of the members of the Committee and other unavoidable official engagements of the Chairman of the Committee.

Regional Committees

III.19 The Employees' Provident Funds Scheme provides for the setting up of a Regional Committee for each State until such time a State Board is constituted for each State. These Committees function under the control of Central Board of Trustees. The Regional Committees advise the Central Board--

- (i) on matters connected with the administration of the Schemes in their respective States; and
- (ii) on such matters as the Central Board may refer from time to time.

III.20 At the end of March, 1989, there were 17 Regional Committees set up under the E.P.F. Scheme, one each for the States of Andhra Pradesh, Assam, Bihar, Gujarat, Haryana, Himachal Pradesh, Karnataka, Kerala, Madhya Pradesh, Maharashtra, Orissa, Punjab, Rajasthan, Tamilnadu, Uttar Pradesh and West Bengal, apart from a Regional Committee for the Union Territory of Delhi. The Regional Committees as provided in para 11 of the E.P.F. Scheme are required to meet at least twice in each financial year. During the year 1988-89, the Regional Committees for the States of Tamilnadu and West Bengal met 3 times, the Regional Committees for the States of Andhra Pradesh, Assam, Bihar, Gujarat, Haryana, Himachal Pradesh, Kerala, Madhya Pradesh, Maharashtra, Rajasthan, Uttar Pradesh and for the Union Territory of Delhi met twice during the year. The Regional Committees for the States of Karnataka, Orissa and Punjab met only once during the year.

Sub-Regional Offices

III.21 In pursuance with the policy of decentralisation and with a view to provide service nearer to the subscribers, three more Sub-Regional Offices were opened at Warangal, Bhagalpur and Jalpaiguri taking the total number of Sub-Regional Offices to 45 at the end of the year.

III.22 Approval of the Government under para 21 of the Employees' Provident Funds Scheme has also been obtained for opening of Sub-Regional Offices at Bhatinda and Darjeeling. These Sub-Regional Offices have also since been opened.

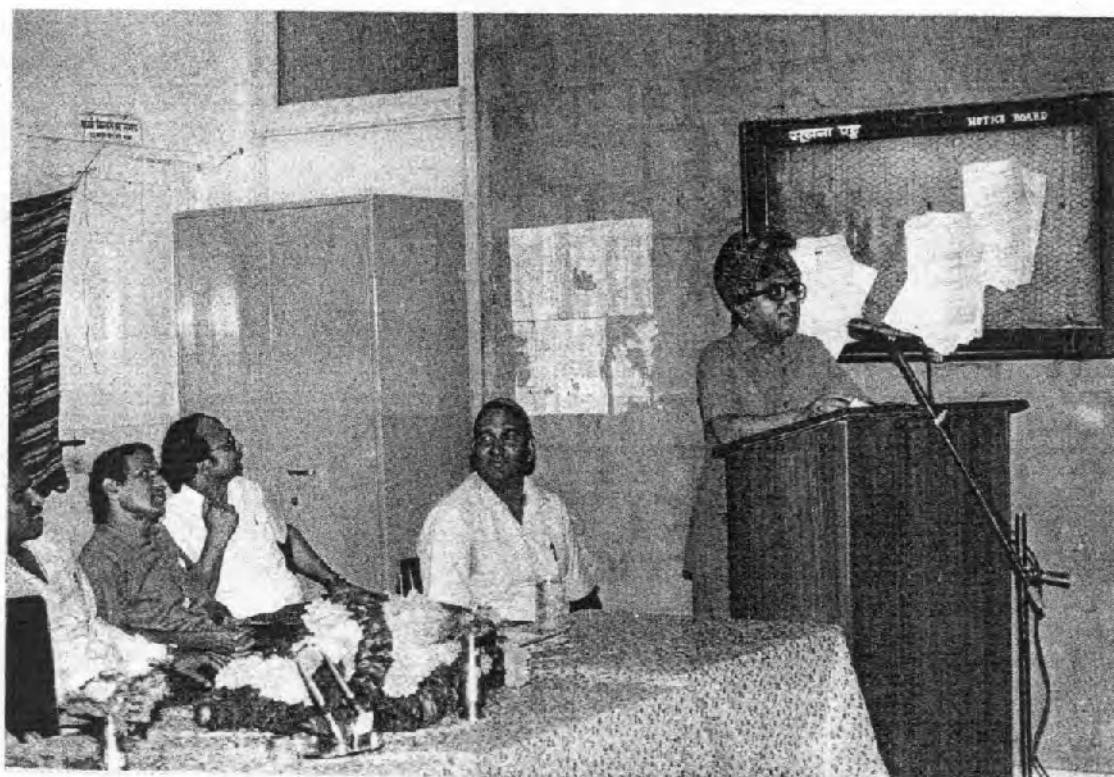
Inspectorate Offices and Inspections

III.23 The institution of Provident Fund Inspector/Enforcement Officer is an important link between the Employees' Provident Fund Organisation and the employers and the employees of the covered establishments. Apart from attending to regular inspection work, he has also to perform an advisory role *vis-a-vis* the employers and workers in different establishments. The Inspector has to ensure that all coverable establishments/factories are duly covered under the Act and all employees eligible for membership of the fund are duly enrolled by conducting inspections/surveys. It is also a part of his duty, to initiate proceedings in the courts against defaulting employers and to pursue these cases till their finality. As on 31st March, 1989 there were 161 Provident Fund Inspectorates functioning all over the country.

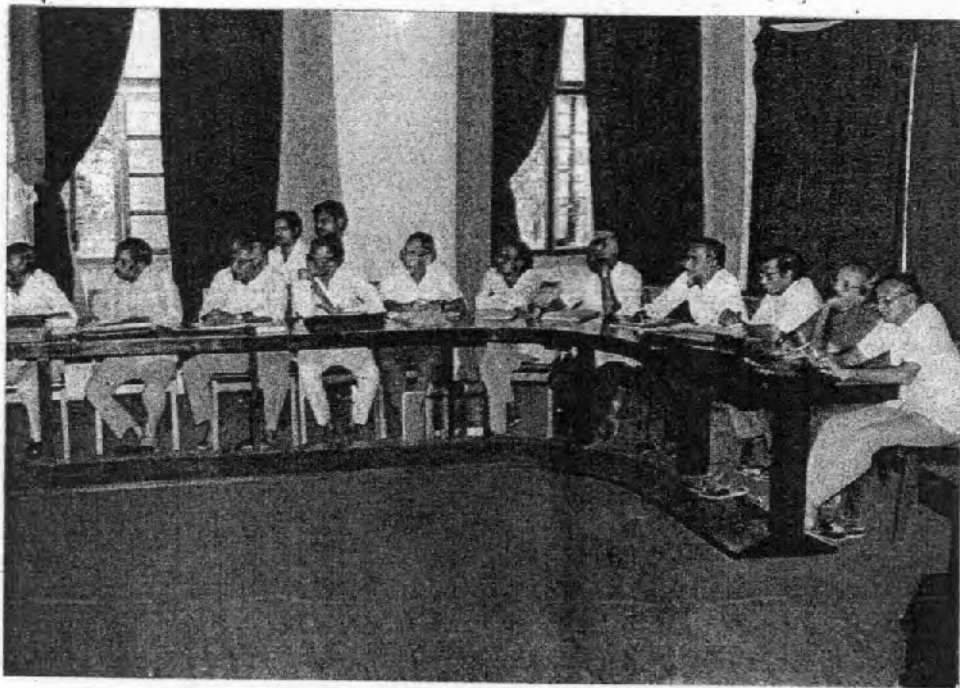
III.24 During the year under report a total of 3,14,961 inspections were conducted as against 3,11,683 inspections during the previous year., Of the total No. 3,14,961 inspections, 9,862 inspections related to exempted establishments, 2,86,781 to unexempted establishments and the remaining 18,318 pertained to inspections of uncovered establishments conducted to examine their coverability.



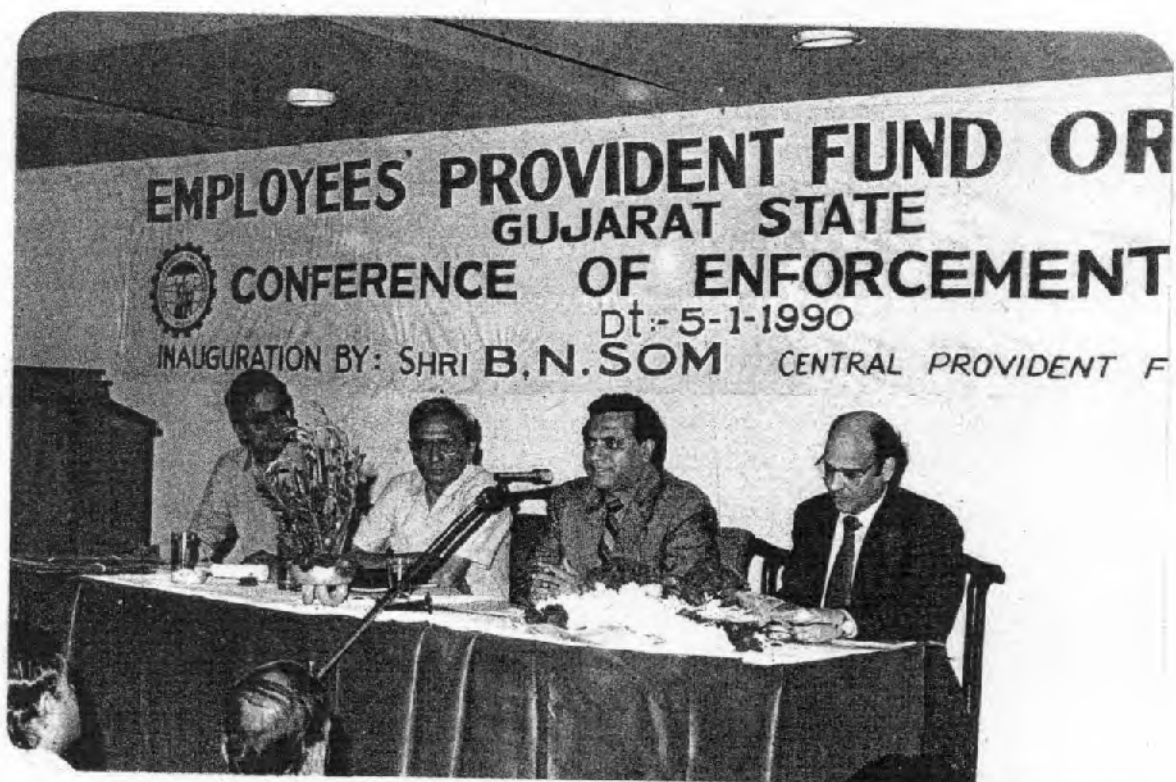
Central Provident Fund Commissioner addressing Rajasthan Enforcement Officer's Conference at Jaipur.



Central Provident Fund Commissioner addressing the staff of Regional Office, Rajasthan on his maiden visit. Seated behind Shri Y. P. Bahadur, Gen. Secy. Employee's Provident Fund Staff Union.



Central Provident Fund Commissioner addressing Enforcement Officers' Conference of Andhra Pradesh Region. Seated to his right Shri C. S. Reddy Regional Provident Fund Commissioner, Andhra Pradesh and to his left Regional Provident Fund Commissioner, Vizag, Regional Provident Fund Commissioner, Guntur and other officers.



Central Provident Fund Commissioner addressing conference of Enforcement Officer's Gujarat Region.

IV. WORKING OF THE EMPLOYEES' PROVIDENT FUNDS SCHEME, 1952

Coverage

V.1 The Employees' Provident Funds and Miscellaneous Provisions Act is applicable to factories and other establishments engaged in specified Industries/Classes of establishments which have completed three years of their existence and employing 20 or more persons. The Act, however, does not apply to cooperative societies employing less than 50 persons and working without the aid of power.

V.2 Presently 173 Industries/Classes of Establishments are covered under the Employees' Provident Funds and Miscellaneous Provisions Act. The distribution of Industries/Classes of Establishments covered under the Act falling under various sectors of the economy based on National Industrial Classification (NIC) is given in Table I.

TABLE I : Coverage of Industries/Classes of Establishments according to the National Industrial Classification

Sl. No.	NIC Division No.	Name of Division	No. of Industries/Classes of estts.	% to total
Primary Sector				
1.	0	Agriculture, Hunting, Forestry and Fishing	10	5.8
2.	1	Mining and Quarrying	33	19.1
3.	2 & 3	Manufacturing (Including repairs)	90	52.0
4.	4	Electricity, Gas and Water	1	0.6
5.	5	Construction	1	0.6
6.	6	Wholesale & Retail Trade, Restaurants & Hotels	6	3.5
Service Sector				
7.	7	Transport, Storage and Communication	7	4.0
8.	8	Financing, Insurance, Real Estate & Business Services	9	5.2
9.	9	Community, Social & Personnel Services	16	9.2
			173	100.0

IV.3 Sustained efforts were made during the year to bring within the purview of the Act all coverable estts. and to afford the benefits provided under the Scheme to maximum number of workers employed in these establishments. As a result, there was an increase of 11,218 in the number of covered establishments and an increase of 4.59 lakhs in the number of covered subscribers during the year. At the end of the year, 1,81,643 establishments, having 142.98 lakh provident fund subscribers covered under the Act. Out of these, the total number of subscribers in the unexempted category were 100.99 lakhs employed in 1,78,761 establishments and in the exempted category there were 41.99 lakh subscribers employed in 2,882 establishments.

Voluntary Coverage

IV.4 An establishment which is not compulsorily amenable to the provisions of the Act can be covered voluntarily with the mutual consent of the employer and the majority of the employees. As many as 4.74 lakh workers employed in 9,348 establishments got benefit of Provident Fund on a voluntary basis under this provision of the Act as on 31st March, 1989.

Finalisation of Provisional Coverages

IV.5 The Organisation continued its efforts to finalise the date of coverage in respect of provisionally covered establishments. During the year under report 1,171 cases of Provisional coverage were finalised and dates of coverage confirmed. As on 31st March, 1989 there were 8,972 provisional coverage cases pending for finalisation with Regional Provident Fund Commissioners who have been advised to monitor these cases and finalise the date of coverage on a priority basis.

Regionwise Distribution of Covered Establishments

IV.6 The regionwise coverage position as on 31st March, 1989 is given in Appendix S-2. From the Appendix, it would be seen that 7 regions namely Maharashtra, West Bengal, Tamil Nadu, Gujarat, Andhra Pradesh, Karnataka and Uttar Pradesh account for 70% of the total number of covered establishments. As for subscribers, the regions of Maharashtra, West Bengal, Tamil Nadu, Karnataka, Uttar Pradesh and Andhra Pradesh account for 63% of the total subscribers covered under the Act.

Concentration of Coverage in 25 Major Industries/Classes of Establishments

IV.7 Till the end of March, 1989, the Act stood extended to 173 Industries/Classes of Establishments. There is a concentration to the extent of 79.56% of the total subscribers covered and 63.93% of the total covered establishments in the 25 Industries/Classes of Establishments given in the Table below :—

TABLE II

Sl. No.	Industries/Classes of Establishments	No. of subscribers in the Industry	No. of Estts. in the Industry
1.	Electrical, Mechanical or General Engineering Products	23,38,279	27,953
2.	Textiles	16,16,156	9,798
3.	Beedi	10,96,970	3,222

Sl. No.	Industries/Classes of Establishments	No. of subscribers in the Industry	No. of Estts. in the Industry
4.	Trading and Commercial	10,77,550	16,350
5.	Road Motor Transport	6,10,383	3,477
6.	Electricity including generation transmission and distribution thereof	5,73,655	1,713
7.	Heavy & Fine Chemicals	4,88,263	4,904
8.	Iron & Steel	4,49,154	2,111
9.	Sugar	3,97,510	2,307
10.	Tea (except in the State of Assam)	3,04,809	570
11.	Jute	2,35,572	98
12.	Educational Institutions	2,12,527	23,533
13.	Banks (doing business in one State & Union Territory)	1,85,594	1,121
14.	Tea Plantations (other than tea plantations in the State of Assam)	1,83,817	649
15.	Electrical porcelain insulator of high and low tension	1,83,292	227
16.	Paper	1,81,387	993
17.	Cashewnuts	1,78,569	707
18.	Hotels & Restaurants	1,77,167	5,182
19.	Automobile Repairing & Servicing	1,58,284	1,102
20.	Rubber & Rubber Products	1,55,978	1,319
21.	Cement	1,31,748	262
22.	Printing	1,26,214	2,817
23.	Edible oils and Fats	1,09,330	2,116
24.	Glass	1,07,604	1,207
25.	Building & Construction	96,762	2,351
		1,13,76,574	1,16,131

IV.8 As would be seen from the Table II, there is a high degree of concentration of subscribers as well as establishments in Electrical, Mechanical or General Engineering products industry which accounts for 15.39% of the total covered establishments and 16.35% of the total subscribers. Textile industry accounts for 11.30% of the total subscribers and Beedi 7.67% of the total subscribers. Trading and Commercial establishments accounts for 7.54% of the total subscribers and 9% of the total covered establishments.

IV.9 Factories/Establishments covered under Electrical, Mechanical or General Engineering Products Industry, Textiles and Trading and commercial establishments together account for 29.78% of the total covered establishments and 35.19% of the total subscribers. It would be noted that 79.56% of the total subscribers are concentrated in these 25 Industries/Classes of Establishments. The concentration of covered establishments under these 25 Industries/Classes of Establishments is of the order of 63.93% of the total covered establishments.

CONTRIBUTIONS UNDER THE EMPLOYEES' PROVIDENT FUNDS SCHEME

IV.10 The rate of Provident Fund contributions payable by the employers and the employees under the Employees' Provident Funds & Misc. Provisions Act which was $6\frac{1}{2}\%$ of basic wages, dearness allowance (including the cash value of any food concession) and retaining allowance (if any) payable to each employee who is a subscriber, has been through an amendment of the Act, raised to $8\frac{1}{3}\%$ of the basic wages, dearness allowance (including the cash value of any food concession) and retaining allowance (if any) payable to each employee who is a subscriber, with effect from 1st August, 1988.

Further under the amended provisions of the Act, the Central Government has been empowered to enhance the rate of contribution with respect to any establishment or class of establishment from $8\frac{1}{3}\%$ to 10% of basic wages, dearness allowance (including the cash value of any food concession) and retaining allowance (if any) of the employee who is a subscriber.

IV.11 The total amount of contributions received during 1988-89 was Rs. 2424.61 crores (Rs. 1387.47 crores in respect of exempted establishments and Rs. 1037.14 crores in respect of unexempted establishments). The total amount of contributions received since inception of the Scheme upto 31st March, 1989 was Rs. 19384.54 crores (Rs. 11293.08 crores in respect of exempted establishments and Rs. 8091.46 crores in respect of unexempted establishments).

IV.12 The contributions received during the last five years are as follows :--

TABLE III : Provident Fund Contributions Received

Year	From exempted Estt. (Rs. in crores)	% increase over previous year	From unexempted Estt. (Rs. in crores)	% increase over previous year	Total (exempted+ unexempted contributions) (Rs. in crores)	% increase over previous year
1984-85	779.58	18.3	540.48	6.6	1320.07	13.2
1985-86	860.21	10.3	687.96	27.3	1548.17	17.2
1986-87	1023.68	19.0	770.83	12.4	1794.51	15.9
1987-88	1151.15	11.07	850.80	10.37	2001.95	11.56
1988-89	1387.47	20.5	1037.14	21.90	2424.61	21.11

IV.13 The above table shows that the contributions received during the year 1988-89 registered an increase of Rs. 236.32 crores over the previous year in case of exempted estts. and increased by Rs. 186.34 crores in case of unexempted estts.

IV.14 Contributions to National Savings

TABLE IV : Percentage of savings originating under Employees' Provident Funds & Misc. Provisions Act to net domestic savings in India

Year	Net domestic savings in India (Rs. in crores)	Total contributions received under the Act (Rs. in crores)	Column 3 as percentage of column 2
1	2	3	4
1978-79	17,972	675	3.8
1979-80	17,447	749	4.3
1980-81	21,166	930	4.4
1981-82	24,395	1080	4.4
1982-83	26,080	1217	4.7
1983-84	29,622	1342	4.5
1984-85	33,433	1516	4.5
1985-86	30,442 (R)	1815	5.9 (R)
1986-87	34,148 (R)	2098	6.1 (R)
*1987-88	35,226	2360	6.7

R--Revised.

*--Provisional.

Source : Report on Currency and Finance 1987-88, Vol. I estimates of net domestic savings sectorwise.

IV.15 An analysis of the above table would show that out of total net domestic savings of Rs. 35,226 crores in 1987-88 in India, savings amounting to Rs. 2,360 crores or 6.7% of the total net domestic savings were generated under the three Schemes framed under the Employees' Provident Funds and Misc. Provisions Act, 1952.

Investments

IV.16 The contributions received by the Employees' Provident Fund Organisation in respect of unexempted establishments, as well as by the Boards of Trustees of exempted establishments are to be invested after making payments on account of advances and final withdrawals in accordance with the pattern laid down by the Government of India from time to time. The pattern of investment prescribed by

the Government of India with effect from 1st April, 1986 remained effective for the year 1988-89. The investment pattern is indicated below :--

- | | | | |
|------|--|---|-------------------|
| (i) | (a) Government securities as defined in Sec. 2 of the public Debt Act, 1944 (18 of 1944) created and issued by any State Government;
(b) Any other negotiable securities the principal whereof and interest whereon is fully and unconditionally guaranteed by the Central Govt. or any State Government; | } | Not Less than 15% |
| (ii) | Special Deposit Scheme introduced by the notification of Government of India, Ministry of Finance (Department of Economic Affairs) No. F.16(1)PD/75, dated 30th June, 1975, as extended by Notification No. F.16(8)PD/84 dated 12th June, 1985 | | Not exceeding 85% |

Where any moneys are received on the maturity of earlier investments made under the pattern in force upto 31st March, 1986 such moneys reduced by obligatory outgoings shall be reinvested in accordance with the pattern of investment prescribed above.

IV.17 The Government of India,--vide notification No. F.12(1)PD/86, dated 15th February, 1988 clarified that as a matter of simplification there should be no objection to the provident funds etc. investing the proceeds of maturing POTS including interest, interest on securities issued by Central Government and interest on special deposits, in deposits under the SDS and correspondingly investing in securities issued by State Governments or securities guaranteed by Government, the interest realised on such securities. The Government of India, Ministry of Finance, vide Notification No. F-16(19)PD/87, dated 10th March, 1988 has added a note under para 6 of the SDS to the effect that interest for the year 1988 shall be payable on a half yearly basis, that is, on 1st July, 1988 and 1st January, 1989. This facility has been extended by the Ministry of Finance for the year 1989 also. Accordingly interest will be payable on half yearly basis on 1st July, 1989 and 1st January, 1990.

IV.18 The total investment of provident fund accumulations in respect of unexempted establishments as on 31st March, 1989 amounted to Rs. 9216.44 crores (Face value) after providing for loss of Rs. 5.97 crores in sale of securities). Cost price of these securities as reflected in the balance sheet is Rs. 9230.11 crores, which is subject to audit. The net investment made in the year 1988-89 is Rs. 1265.03 crores as against Rs. 1030.74 crores during the year 1987-88. The details of investments made during the year are given in Table V. An analysis of Appendix S-I would indicate that of the total investments in the Central Govt. securities, a sum of Rs. 297.30 crores can be considered as low yielding securities because the rate of interest in respect of these securities ranges between $5\frac{1}{4}$ to 6%.

IV.19 The conversion of low yielding securities into high yielding securities was started from December, 1980. Every year there is a conversion to the extent of Rs. 50 crores and securities worth Rs. 450 crores have been converted so far.

TABLE V

Investments made during 1988-89 by type of securities at Face value (Rs. in crores)

Category	Rate of interest							Total
	6¼%	6½%	6¾%	7%	8¼%	11½%	12%	
State Govt. Securities	--	--	15.50	62.55	13.25	--	--	91.30
Govt. Guaranteed Securities	0.23	5.90	44.65	--	--	6.25	--	57.03
Special Deposit Scheme							1757.46	1757.46
Total	0.23	5.90	60.15	62.55	13.25	6.25	1757.46	1905.79
Securities transferred towards P.A. dues								16.19
Gross Total								1921.98
Less Redemption								656.95
Net Total								1265.03

4.20 The exempted establishments are also required to follow the same pattern of investment as is prescribed for the unexempted funds. The total investments of the Provident Fund accumulations in respect of exempted establishments as on 31st March, 1989, amounted to Rs. 10842.68 crores. The net investment during the year 1988-89 figured as Rs. 1315.83 crores. Categorywise details of the investments made by the exempted establishments during the year are given below :--

TABLE VI - Investments made by the exempted establishments categorywise during the year 1988-89

Sr. No.	Category	Amount (Rs. in crores)
1.	Central Government securities	39.34
2.	State Governments and State or Central Government guaranteed securities	223.45
3.	Post Office Time Deposits and Small Savings	8.06
4.	Special Deposits	1442.63
5.	Total (Gross)	1713.48
6.	Less Redemption Proceeds	397.65
7.	Total (Net)	1315.83

Thus the total net investment of Provident Fund accumulations in respect of both exempted and unexempted establishments amounted to Rs. 20059.12 crores as on 31st March, 1989 as against Rs. 17481.92 crores as on 31st March, 1988.

Rate of Interest :

IV.21 Under para 60(1) of the Employees' Provident Funds Scheme, 1952 the Central Government on the recommendation of the Central Board of Trustees declares the rate of interest to be credited to the accounts of Provident Fund subscribers annually. The rate of interest which was 3% per annum in 1952-53 has gradually been raised periodically and is at present 12% per annum for the year 1989-90 as against 11.80% per annum for the year 1988-89.

Provident Fund Arrears :

IV.22 Of the 1,78,761 unexempted establishment covered under the Act the employers of 11,461 estts. were in default in the matter of remittance of provident fund contributions to the Fund as on 31st March, 1989. The region-wise arrears is indicated in Table VII below :

TABLE VII : Regionwise details of PF arrears as on 31-3-89

Region	Pre-coverage accumulations	Accumulations on cancellation of Exemption.	Post coverage accumulations	Total arrears as on 31-3-89	Total arrears as on 31-3-88	Increase/Decrease over previous year (Col. 5-6)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
A. Pradesh	--	--	338.41	338.41	195.22	143.19
N.E. Region	--	--	57.12	57.12	53.00	4.12
Bihar	--	37.68	372.36	410.04	193.57	216.47
Delhi	--	--	188.87	188.87	177.60	11.27
Gujarat	--	--	339.37	339.37	273.83	65.54
Haryana	--	--	526.66	526.66	486.35	40.31
Karnataka	--	0.50	272.50	273.00	186.57	86.43
Kerala	--	--	267.29	267.29	223.14	44.15
M. Pradesh	--	367.52	1081.42	1448.94	1474.45	(-) 25.50
Maharashtra	2.75	48.23	981.00	1031.98	904.13	127.00
Orissa	--	--	335.76	335.76	408.84	(-) 73.00
Punjab	--	--	190.83	190.83	120.85	69.00
Rajasthan	0.94	--	309.89	310.83	230.28	80.55
Tamilnadu	--	57.94	774.55	832.49	629.16	203.33
U. Pradesh	--	259.21	1266.36	1525.57	1458.29	67.28
West Bengal	6.00	17.00	727.00	750.00	859.00	(-) 109.00
TOTAL	9.69	788.08	8029.39	8827.16	7874.28	952.88

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The arrears shown in Table VII above are the assessed arrears under Section 4-B of the EPF & MP Act and do not include arrears of damages under Section 4-B and arrears of Administrative charges.

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IV.23 Table VII above would indicate that the total arrears from unexempted establishments as on 31st March, 1989 stood at Rs. 8827.16 lakhs as against Rs. 7874.28 lakhs as on 31st March, 1988. It would be noted that the arrears have increased by Rs. 952.88 lakhs (12.10%) during the course of the year. Arrears have shown a declining trend in three regions namely M.P., Orissa and West Bengal where the arrears have gone down by Rs. 25.51 lakhs, Rs. 73.08 lakhs and Rs. 109.00 lakhs respectively. Leaving these three regions, in all the remaining regions arrears have registered an increase. The five regions where arrears have registered the maximum increase during the year under report are Bihar, Tamil Nadu, Andhra Pradesh, Maharashtra and Karnataka. In Bihar the arrears went up by Rs. 216.47 lakhs, in Tamil Nadu the arrears went up by Rs. 203.33 lakhs, in A. Pradesh by Rs. 143.19 lakhs, in Maharashtra by Rs. 127.85 lakhs and in Karnataka by Rs. 86.43 lakhs. As against a total increase in arrear of Rs. 952.88 lakhs in all the regions, the increase in arrears of these five regions amounts to Rs. 777.27 lakhs.

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pre-
year
5-6)

IV.24 An analysis of Table VII would further indicate that out of a total arrears of Rs. 8827.16 lakhs, arrears of pre-coverage accumulations accounted for Rs. 9.69 lakhs and accumulations on cancellation of exemption accounted for Rs. 788.08 lakhs. These 2 heads constitute Rs. 797.77 lakhs of the total arrears or 9.0% of the total arrears. In post-coverage arrears, it would be seen that as on 31st March, 1989 the arrears stood at Rs. 8029.39 lakhs as against Rs. 7489.83 lakhs as on 31st March, 1988 registering an increase of 6.8%.

(7)

143.19
4.12
216.47

IV.25 In the matter of post-coverage arrears, Uttar Pradesh leads the list with Rs. 1266.36 lakhs, followed by Madhya Pradesh (Rs. 1081.42 lakhs), Maharashtra (981.00 lakhs) and Tamilnadu (Rs. 774.55 lakhs) 46.5% of the post coverage accumulations are concentrated in these four regions.

11.27 **IV.26 Industry-wise dispersal of arrears**

65.54
40.31
86.43

Table VIII indicates the Industry-wise dispersal of P.F. arrears.

TABLE VIII : Dispersal of Provident Fund Arrears--industry-wise

Sl. No.	Industry	Arrears Amount (Rs. in lakhs)	%age of total arrears	Cummulative %	Major %age of	Regions with arrears
44.15 -) 25.50 127.00 -) 73.00 69.00 80.55 203.33 67.28 109.00 952.88	1. Textiles	3533.62	40.03%	40.03%	M.P. M.H. T.N. U.P.	36.6% 14.8% 10.4% 13.2%
	2. Electrical Mechanical & General Engineering	1131.82	12.82%	52.85%	M.H. U.P. H.R. T.N.	22.0% 18.4% 16.8% 9.5%

Sl. No.	Industry	Arrears Amount (Rs. in lakhs)	%age of total arrears	Cummulative %	Major %age of	Regions with arrears
3.	Sugar	550.83	6.24%	59.09%	U.P. M.H.	94.5% 2.1%
4.	Tea & Tea Plantations	205.55	2.33%	61.42%	W.B. K.R. NER	63.2% 22.9% 08.5%
5.	Trading & Commercial Estts.	246.66	2.80%	64.22%	W.B. T.N. PB.	19.2% 16.5% 11.8%
6.	Newspapers	131.70	1.49%	65.71%	DL T.N. W.B.	31.3% 30.6% 14.1%
7.	Heavy & Fine Chemicals	130.93	1.48%	67.19%	MH RJ KR	30.8% 18.9% 18.1%
8.	Iron & Steel	177.39	2.00%	69.19%	U.P. W.B. HR	37.8% 29.8% 16.1%
9.	Road Motor Transport	108.06	1.23%	70.42%	A.P. U.P. OR	22.4% 21.7% 16.7%
10.	Jute	279.32	3.17%	73.59%	W.B. BR	80.9% 17.2%
11.	Others	2331.28	26.41%	100.00%	T.N. BR HR U.P.	14.5% 13.1% 11.6% 9.5%
Total		8827.15	100.00			

IV.27 The above table would reveal that out of 173 Industries/Classes of Establishments to which the Act stands applied, the arrears are concentrated in a few Industries. The Textiles Industry is the major defaulter which accounts for 40.03% of the total arrears followed by Electrical, Mechanical and General Engineering Industry which accounts for 12.82%, Sugar 6.24%, Jute Industry 3.17%, Trading and Commercial establishments account for 2.80% and Tea and Tea Plantation 2.33% of the total arrears. The aforesaid Six Industries alone account for 67.39% of the total provident fund arrears of Rs. 8827.16 lakhs as on 31st March, 1989. The other Industries in which the default was noticed are Newspaper (1.49%), Heavy and Fine Chemicals

(1.48%), Iron and Steel (2.00%) and Road Motor Transport (1.23%). These four Industries constitute 6.20% of the total arrears. Thus 73.59% of the total provident fund arrears are concentrated in these 10 Industries.

IV.28 Other arrears :

Apart from the provident fund assessed arrears of Rs. 8827.16 lakhs, the arrears on account of administration and inspection charges account for Rs. 274.82 lakhs as on 31st March, 1989. A sum of Rs. 4355.88 lakhs is outstanding on account of penal damages levied for belated payments of provident fund contributions. Damages levied on account of provident fund administration charges are also in arrears to the tune of Rs. 146.08 lakhs. The region-wise data on penal damages levied on belated payments of P.F. contributions, damages collected and those in arrears are given in Appendix-S.3.

Classification of arrears :

IV.29 The provident fund arrears have further been classified according to the status of the arrears. Table IX given below classifies these arrears.

TABLE IX : Classification of Provident Fund arrears by type of establishments as on 31-3-1989

Sl. No.	Classification of Arrears	No. of defaulting establishments	Amount in arrears (Rs. in lakhs)
(i)	Closure of establishments	491 (454)	991.26 (804.45)
(ii)	Establishments under liquidation	186 (169)	495.11 (469.92)
(iii)	Arrears in respect of estts. where recovery has been stayed or reconstruction schemes are pending before the High Courts.	347 (400)	544.97 (352.31)
(iv)	Pre-take over dues in respect of units taken over by the National Textile Corporation/ Authorised Controllers where liabilities have been frozen	72 (78)	670.57 (520.17)
(v)	Post-take over and pre-nationalisation dues in respect of units taken over by National Textiles/Corporation.	9 (9)	137.66 (175.34)
(vi)	Pre-take over dues in respect of units taken over/assisted by the Industrial Reconstruction Corporation of India	9 (10)	119.22 (140.86)

Sl. No.	Classification of Arrears	No. of defaulting establishments	Amount in arrears (Rs. in lakhs)
(vii)	Current dues in respect of units taken over/assisted by the Industrial Reconstruction Corporation of India	1 (-)	33.96 (-)
(viii)	Establishments run by Receivers/Custodians	31 (30)	284.16 (266.72)
(ix)	Total (i) to (viii)	1146 (1150)	3276.91 (2729.77)
(x)	Arrears in respect of which effective measures can be taken	10315 (8857)	5550.25 (5144.51)
Grand Total :		11461 (10007)	8827.16 (7874.28)

Figures in brackets relate to the year 1987-88.

IV.30 It would be noted from the Table IX above that an amount of Rs. 32.77 crores is due from estts. which were either closed or under closure, under liquidation or in respect of which recoveries have been stayed by the Courts or which had become sick and taken over by the Government or Nationalised. In these cases, the option available to the organisation for recovering the dues is limited. If these arrears amounting to Rs. 32.77 crores are separated the remaining arrears amount to Rs. 55.50 crores or 62.87% of the total arrears.

IV.31 It would further be noted from Table IX that the Textile Mills taken over by the National Textile Corporation are the major defaulters in the payment of E.P.F. dues, where the scope for taking effective measures for recovery of dues is very limited. These outstanding dues largely pertain to pre-take-over period for which the Central Government has held that the National Textile Corporation is not liable for payment under the Sick Textile Undertakings (Nationalisation Act of 1974). Thus, the dues for the pre-take-over period and also for the period during which the Management was under the authorised controllers have to be recovered out of the compensation amount placed at the disposal of the Commissioners of Payments. Generally, the compensation amounts are inadequate to liquidate these arrears. Regional Provident Fund Commissioners have already filed necessary claims before the Commissioners of payments.

(IV.32) An amount of Rs. 119.22 lakhs relates to pre-take-over dues in respect of unit taken over/assisted by the Industrial Reconstruction Corporation of India. The IRCI have disowned their liability for payment of arrears accumulated during the period prior to these estts. being taken over under its management which is posing a problem for the Organisation. In regard to the establishments where the IRCI is participating through its nominee Director, the Chairman of IRCI has informed that they have a very limited responsibility for paying these outstanding dues.

IV.33 The year-wise position of the provident fund contributions due, received and the amount in arrears is given in Table X. It would be seen from the Table that the percentage of arrears to total contributions received which remained more or less at one per cent over the last five years remained at about the same level during the year 1988-89 as given in Table X.

TABLE X : Year-wise position of Provident Fund Contributions due, received and amount in arrears.

Position as on	Total P.F. contributions due (Rs. in crores)	Total P.F. contributions received (Rs. in crores) (Progressive)	Contributions in arrears (Rs. in crores)	Increase in arrears during current year over previous year (Rs. in crores)	Percentage of arrears to contributions received
31-3-85	4797.03	4744.73	52.30	10.68	1.1
31-3-86	5493.74	5432.69	58.30	6.00	1.1
31-3-87	6275.49	6203.52	71.97	13.67	1.1
31-3-88	7133.06	7054.32	78.74	6.77	1.1
31-3-89	8179.73	8091.46	88.27	9.53	1.1

Action against defaulting establishments

The Organisation took the following steps for recovery of arrears from defaulting unexempted establishments.

IV.34 The dues are determined by the Regional Provident Fund Commissioners in exercise of the powers conferred on them under Section 7A of the Employees' Provident Funds & Miscellaneous Provisions Act. During the course of the year 1988-89, dues were assessed in 14230 cases as against 13846 cases in the previous year. Assessment of dues was pending before the Regional Provident Fund Commissioners in 9680 cases as on 31st March, 1989 at various stages of hearing. The pendency of these cases according to time interval is given below :--

Pendency position of 7A cases

(a)	Less than one month	1875 cases
(b)	One to three months	2937 cases
(c)	Three to six months	1975 cases
(d)	Between 6 to 12 months	1458 cases
(e)	Between 1 year to 3 years	999 cases
(f)	Between 3 years to 5 years.	301 cases
(g)	Over five years	135 cases

Total

9680 cases

Action under section 8 of the E.P.F. & M.P. Act, 1952

IV.35 Once the dues are determined under Section 7A and speaking orders are issued to the establishments intimating the amounts determined, the employers are required to deposit the dues assessed, within a stipulated period. In cases where the employers fail to deposit the dues, determined by the Regional Provident Fund Commissioners, the course open to the Organisation is to issue Revenue Recovery Certificates to the District Collectors for recovery of dues as provided under Sec. 8 of the Act.

Efforts taken to realise the dues

IV.36 In terms of section 8 of the Act, Revenue Recovery Certificates are issued by the Regional Provident Fund Commissioners to the District Revenue Authorities to enforce recovery of the Provident Fund dues through the Process of distraint, public auction/sale of properties of the certificate debtors. During the year 1988-89 as many as 6018 recovery certificates involving an amount of Rs. 25.87 crores were issued by the Regional Provident Fund Commissioners in all the regions. A sum of Rs. 11.85 crores was recovered during the year through execution of 4070 revenue recovery certificates.

IV.37 In order to ensure recovery of the dues from the defaulting employers with utmost speed the Organisation has pending establishment of its own recovery machinery, availed the services of the State Recovery Officials on deputation terms in Andhra Pradesh, Haryana, Kerala, Madhya Pradesh, Maharashtra, Punjab, Gujarat, Tamil Nadu and West Bengal regions. The services of these recovery officers have been placed at the disposal of the Regional Provident Fund Commissioners and they have been attending to the enforcement of the recovery of the dues of the Organisation exclusively. During the year these recovery officials have recovered as much as Rs. 6.51 crores from the defaulting employers towards P.F. contributions, Administration charges & damages.

IV.38 While the Tehsildars in Andhra Pradesh, Haryana, Madhya Pradesh, Maharashtra, Punjab, Tamil Nadu and West Bengal have been working under the direct control and supervision of the respective Regional Provident Fund Commissioners and have been executing the revenue recovery certificates, the Tehsildars in Kerala have been working under the control of the respective District Collectors but enforcing recovery of the E.P.F. dues exclusively.

Action under section 14 of the Employees' Provident Funds and Miscellaneous provisions Act, 1952.

IV.39 To realise the arrears from defaulting establishments prosecution cases were filed in the Criminal Courts under Section 14 of the Act. The Table below indicates the data on prosecutions under section 14 in so far as provident fund arrears are concerned.

TABLE : XI

(a) Pending cases as on 31-3-88	48428
(b) Fresh cases launched during 1988-89	6539
Tota cases for disposal	54967

(c) Cases decided during 1988-89 :--	
(i) Convicted	2122
(ii) Acquitted	143
(iii) Withdrawn	124
(iv) Dismissed	76
Total	<u>2465</u>
(d) Pending cases as on 31-3-89	52502
(e) Breakup of pending cases : Pending for	
(i) Less than 6 months	3516
(ii) 6 months to one year	2743
(iii) one to two years	18963
(iv) two to three years	11947
(v) more than three years	15333
Total	<u>52502</u>

The region-wise details covering the data given in Table X appear at Appendix-S-4.

Action under Section 406/409 of the I.P.C.

IV.40 Sections 406/409 of the I.P.C. provide for action against defaulting establishments for non-remittance of employees' share of provident fund contributions deducted from the wages of the employee. Region-wise data on F.I.Rs filed with Police/Challans filed by the Police in the Courts, cases decided and pending are given in Annexure-S-5 (Part-I & II). During the period under report 770 F.I.Rs were filed by the police in various Courts during the period. As on 31st March, 1989, 6166 F.I.Rs were pending with the Police authorities. The details of cases filed/decided are given in Table XII below.

TABLE XII-I : Prosecution cases under Section 406/409 of the IPC (with Police) during 1988-89

(i) F.I.Rs pending with police as on 31-3-1988	5521
(ii) FIRs filed with police during the year	770
(iii) FIRs dropped by the police	28
(iv) Challans filed by police in Courts during the year	97
(v) FIRs pending with the police as on 31-3-1989	6166
(vi) Periodicity of pendency	
(a) Less than six months	445

(b) 6 months to 1 year	307
(c) more than 1 year	5414

TABLE XII-II Prosecution cases under Section 406/409 of I.P.C. (in courts) during 1988-89

(i) Prosecution cases pending in the Courts as on 31-3-1988	372
(ii) Challans filed by the police during the year	9
(iii) Complaints filed direct in the courts	11
(iv) Total cases before the Courts during the year	480
(v) Prosecution cases decided during the year	
(a) Convicted	18
(b) Acquitted	1
(c) Dismissed/Discharged	2
	<hr/> 21 <hr/>
(vi) Total pendency of cases before the Courts as on 31-3-89	459
Periodicity of pendency :	
(a) for less than 6 months	55
(b) 6 months to 1 year	53
(c) more than 1 year	351

Action under Section 14-B :

IV.41 During the year 1988-89, 17333 notices were issued and damages were imposed by issuing 13055 speaking orders. The damages levied comprised of Rs. 4.63 crores on belated payments of P.F. contributions and Rs. 0.15 crores on belated remittances of Administration and Inspection Charges. As against these amounts, a sum of Rs. 104.47 lakhs was collected by way of penal damages on belated payments of P.F. contributions and Rs. 5.86 lakhs on belated payments of Administration and inspection charges aggregating to Rs. 110.33 lakhs. Appendix-S-3 gives the region-wise data on penal damages levied, realised and outstanding on P.F. contributions as on 31-3-1989.

Realisation of Provident Fund Dues from Defaulting Jute Mills.

IV.42 In West Bengal region 31 Jute Mills falling under the exempted sector and 5 Jute Mills falling under the unexempted sector were found to be persistent defaulters in the payment of provident fund dues. As on 31st March, 1989 a total amount of Rs. 86.97 crores was outstanding towards Provident Fund contributions from these Mills. The position of realisation of arrears from Jute Mills was reviewed from time to time. The establishments which have been declared sick under the provisions of Sick Industrial Companies Act, 1985 are required to liquidate the dues in accordance with the Scheme for revival and reconstruction of such mills sanctioned

by BIFR. These Schemes generally provide for payment of outstanding dues in instalments over a period of 5 to 9 years after making an initial deposit of 20% of the dues from the loans to be granted from the Jute Development Fund set up by the Central Government. In addition, these establishments are required to pay interest on the outstanding dues.

The position of defaults by Jute Mills in West Bengal region was last reviewed in an inter departmental meeting held on 28th February, 1989, under the Chairmanship of the Additional Secretary, Ministry of Labour and the following decisions were taken :--

- (i) The Mills which are in arrears of less than Rs. 5 lakhs (EPF & ESI dues combined) will be allowed to get purchase orders from the Jute Commissioner, and all other mills with arrears of more than 5 lakh rupees should produce a certificate of clearance of the statutory dues in respect of EPF & ESI before any order could be placed by the Jute Commissioner for fresh purchases.
- (ii) In case where any of the defaulting Jute Mill has been granted instalment by the High Court and has been regular in payment of the monthly instalment and current dues, such Mills also will get clearance from the EPF and ESI Organisation for being considered by the Jute Commissioner for getting fresh orders from the Government for the supply of Jute products.

The position of recovery of the arrears of the Provident Fund dues was again reviewed at the meeting of the Central Board of Trustees held on 4th April, 1989 and it was decided that besides taking necessary legal and penal actions for the recovery of the outstanding dues, the Regional Provident Fund Commissioners should also consider cancelling the exemption granted to the defaulting Jute Mills, keeping in view the larger interest of the subscribers.

Non-Compliance by Public Sector.

IV.43 The region-wise arrears of Public and Private Sector undertakings are indicated in Table-XIII.

TABLE XIII : Classification of PF arrears as on 31-3-89 in Public Sector and Private Sector

(Rs. in lakh)

Region	Public Sector	Private Sector	Total
Andhra Pradesh	23.14	315.27	338.41
N.E. Region	10.09	47.03	57.12
Bihar	108.75	301.29	410.04
Delhi	6.55	182.32	188.87
Gujarat	32.12	307.25	339.37

(Rs. in lakh)

Region	Public Sector	Private Sector	Total
Haryana	--	526.66	526.66
Karnataka	16.19	256.81	273.00
Kerala	96.93	170.36	267.29
Madhya Pradesh	817.67	631.27	1448.94
Maharashtra	213.48	818.50	1031.98
Orissa	73.76	262.00	335.76
Punjab	59.05	131.78	190.83
Rajasthan	49.53	261.30	310.83
Tamil Nadu	--	832.49	832.49
Uttar Pradesh	678.76	846.81	1525.57
West Bengal	455.30	294.70	750.00
Total :	2641.32	6185.84	8827.16

Note :--(Public Sector arrears exclude pre-nationalisation dues as the same are included under the private sector).

IV.44 Analysis of Table-XIII would indicate that the provident fund arrears recoverable from unexempted Public Sector undertaking are of the order of Rs. 26.41 crore, constituting 29.91% of the total arrears. The Public Sector arrears went up from Rs. 15.88 crore in the last year Rs. 26.41 crore in the year under review registering an increase of 66.30%. The major default was noted in M.P. (Rs. 8.18 crores) U.P. (6.79 crores) W.B. (Rs. 4.55 crores) and M.H. (Rs. 2.13 crores) which together constitute 82% of total public sector unexempted arrears.

TABLE XIII-A : Non-compliance by Public Sector Undertakings (non-Departmental) undertakings) as on 31st March, 1989

	Covered (No.)			Non-complying (No.)		
	Exempted	Unexempted	Total	Exempted	Unexempted	Total
A. Public Limited Companies/Corporations under control of Central Government	245	197	442	18	28	46

lakh)

	Covered (No.)			Non-complying (No.)		
	Exempted	Unexempted	Total	Exempted	Unexempted	Total
B. Public Limited Companies/Corporations under the control of the State Governments	226	1720	1946	10	78	88
C. Local Bodies Municipalities/Municipal Corporations	30	104	134	8	26	34
1. Total (A to C)	501	2021	2522	36	132	168
2. Add. Departmental Undertaking	241	2004	2245	97	283	380
3. Grand Total	742	4025	4767	133	415	548

TABLE XIII-B : Non-compliance by Public Sector Undertakings (Departmental Undertakings)

	Covered (No.)			Non-complying (No.)		
	Exempted	Unexempted	Total	Exempted	Unexempted	Total
1. Central Govt. Departmentally run establishments.	26	137	163	--	9	9
2. Union Territory establishments	12	21	33	5	24	29
3. State Govt. Departmentally run establishments	203	1846	2049	92	250	342
Total :	241	2004	2245	97	283	380

IV.45. The table XIII-A shows that out of 4767 Public Sector establishments 548 establishments (11.5%) have not fully or partially complied with the statutory provisions of the Act and the three Schemes framed thereunder. The non-compliance in Public Sector during the year 1988-89 has marginally gone up to 11.5% as compared to 10.8% in the preceding year.

IV.46 The defaults by many of these Public Sector Undertakings pertain to non-implementation of the Act for contractor's labour, non-implementation of Family Pension Scheme/Employees' Deposit Linked Insurance Scheme, Non-payment of administrative/inspection charges to the Employees' Provident Fund Organisation etc.

Settlement of Provident Fund Claims

IV.47 During the year under report, 5.81 lakh claims were settled and a sum of Rs. 471.83 crores was authorised for payment as against Rs. 404.25 crores in respect of 5.92 lakh claims settled in 1987-88. While the claims settled during the year registered a decrease of 1.8% over the preceding year, the amount authorised for payment increased by 16.72%. The average amount authorised for payment per claim settled during the year amounted to Rs. 8121 as against Rs. 6828 in 1987-88. Table XIV shows number of claims settled and amount authorised for payment during the last five years.

TABLE XIV : Number of provident fund claims settled and amount authorised

Year	Claims settled No. (Lakhs)	Amount authorised for payment (Rs. crores)
1984-85	5.02	268.27
1985-86	5.18	290.33
1986-87	5.49	335.13
1987-88	5.92	404.25
1988-89	5.81	471.83

Since the inception of the Schemes a sum of Rs. 3142.65 crore has been authorised for payment in respect of 90.71 lakh claims settled.

IV.48 The region-wise details regarding settlement of provident fund claims during the year 1988-89 are given in Appendix S-6. An analysis of this Table reveals that 91% of the claims which became due for settlement were settled after excluding the claims returned for rectification. Out of these, 51.9% claims were settled within a period of 20 days.

IV.49 It can also be seen that during the year under report, 1.15 lakh claims were returned to members for rectification which accounted for 16.5% of the claims received during the year. The claims were returned due to various reasons like :-

- (i) Preference of claims with incomplete and defective particulars;
- (ii) Want of necessary documents and attestation by the appropriate authority;
- (iii) Claims submitted by persons not entitled to receive payment; and
- (iv) Premature claims preferred before completion of the waiting period.

IV.50 The category-wise particulars of the claims settled in 1988-89 are given in Table XV. An analysis of this Table shows that 90.6% claims were settled on

account of three factors viz. (i) resignation (ii) retrenchment from service, and (iii) superannuation. 4.1% claims were settled on account of death, 0.4% on account of permanent invalidation and remaining 4.9% due to other reasons.

TABLE XV ; Details of claims settled and amount authorised for payment during 1988-89

Sl. No.	Category	Number of claims settled	% age of total claims settled	Amount authorised for payment (Rs. crore)
1.	Death	23891	4.1	33.41
2.	Resignation/Termination	402197	69.2	237.88
3.	Retrenchment	73682	12.7	67.79
4.	Superannuation	50713	8.7	102.85
5.	Permanent invalidation	2157	0.4	2.40
6.	Others	28720	4.9	27.50
Total		581360	100.0	471.83

IV.51 The region-wise details of claims pending according to the intervals of pendency are given in Appendix S-7. It shows that 81.0% claims were pending for a period of less than two months, 18.6% claims were pending for a period between two to six months and 0.4% claims were pending for over 6 months.

Steps taken for prompt settlement of claims

IV.52 Chairman, Central Board of Trustees, Employees' Provident Fund had constituted a Special Committee for review and simplification of procedures of settlement of Employees' Provident Fund and Employees' Deposit Linked Insurance claims. The Committee had made certain recommendations for speedy settlement of claims. The following important recommendations, as approved by the C.B.T. were implemented during the year :--

1. Earlier, for settlement of claims under the E.P.F. interest already credited to the member's accounts pertaining to the previous years was rechecked at the time of settlement. This process consumed much avoidable additional work. Now, the procedure has been simplified and the system of rechecking the interest ab initio has been dispensed with.
2. In cases where employers make default in payment of contribution and arrears are paid subsequently, the entire ledger account had to be recast which consumed much time and energy. In order to simplify the procedure without adversely affecting the interest of the members, it was decided that the interest should be worked out only on the quantum of arrear amount pertaining to previous years and the total amount arrived at be credited in members' account in the last year in which the account is closed.

3. In the case of settling claims under the EDLI Scheme pertaining to deceased subscribers of exempted establishments verification of details of contributions was required to be got done through the Enforcement Officers of this Organisation before settling the claims. Now, to avoid delay the payment is authorised on the basis of the certificate given by the employer and subsequently the particulars are verified.

Transfer of Provident Fund Accounts :

IV.53 When a member leaves service in one establishment and obtains re-employment in another establishment, whether exempted or unexempted, in the same region or another region, he is required to apply for transfer of his provident fund account to the Regional Provident Fund Commissioner in the prescribed form. The actual transfer of the Provident Fund accumulations with interest thereon, takes place in the following cases :--

- (i) Re-employment in an establishment whether exempted or unexempted, in another region/sub-region.
- (ii) re-employment in an exempted establishment in the same region/sub-region.
- (iii) Leaving service in an exempted establishment and re-employment in an unexempted establishment.

IV.54 During the year 1988-89, a total number of 137167 accounts relating to Employees' Provident Fund subscribers were transferred and 29868 transfer applications were pending in the Regional Offices as on 31-3-1989. The Provident Fund accounts transferred and pending as on 31-3-1989 are given in Table XVI.

TABLE XVI : Number of Provident Fund Accounts transferred

Category	Accounts 1987-88	Transferred 1988-89	Transfer pending 1987-88	Applications at the end of 1988-89
(i) cases involving actual transfer of Provident Fund accumulations	62334	56050	13012	12243
(ii) cases not involving actual transfer of Provident Fund accumulations	78556	81117	15857	17625
Total	140890	137167	28869	29868

IV.55 Of the 29868 applications pending for transfer of Provident Fund accounts/accumulations, 51.6% were pending for period of less than one month and 31.8 for a period ranging from one month to three months. Another 14.7 were pending for a period between of over 6 months and 1.9% cases were pending for a period between 6 to 12 months. The data giving region-wise details of transfer cases pending as on 31st March, 1989 are given in Appendix S-8.

Partial withdrawals by members:

IV.56 The Employees' Provident Funds Scheme provides for grant of partial withdrawals to members from their provident fund accounts in situations like illness, invalidation, marriage of self/daughter/son, sister, brother, for higher education of children, construction/purchase of dwelling house etc. The withdrawals sanctioned under the Scheme for various purposes are given below in Table XVII:—

TABLE XVII : Number of withdrawals sanctioned and amount involved

(Rs. in lakhs)

Sl. No.	Purpose	No. of cases		Amount paid	
		1987-88	1988-89	1987-88	1988-89
1.	Financing of Life Insurance Policies	23613	20324	104.10	71.33
2.	House Building etc.	59976	69533	6991.97	9107.24
3.	During temporary closure of estts.	63085	59742	1515.89	1845.09
4.	Illness of self/ family members	25178	31506	686.88	934.48
5.	Member's own marriage or for the marriage of his/ her sister, brother or daughter/son and post matriculation education of children	155340	156738	5194.78	5710.85
6.	Others	5156	2018	33.40	49.03
Total		332348	339861	14527.02	17718.82

IV.57 An analysis of the above table shows that bulk of the withdrawals sanctioned i.e. 46.12% were sanctioned to meet the self/family obligations i.e. marriage of children/brother/sister or education of children, 17.58% withdrawals were sanctioned to provide timely help to members in cases of temporary closure of establishments when they were rendered unemployed and another 9.27% in cases of sickness. Besides 5.98% withdrawals sanctioned were towards financing of Life Insurance Policies and another 20.46% for purchase of house/house site and for House Building purpose etc. The partial withdrawals of Provident Fund money for other contingencies like natural calamity and energy crises accounted for 0.59% of the total withdrawals sanctioned.

IV.58 The yearwise details of partial withdrawal granted to subscribers are given in Table XVIII:—

TABLE XVIII : Withdrawals sanctioned and amount paid during the last five years.

Year	Advances sanctioned No. (lakhs)	% increase over previous year	Amount involved (Rs. crores)	% increase over previous year
1984-85	2.96	22.80	82.40	35.1
1985-86	3.02	2.00	97.67	18.5
1986-87	2.98	(--) 1.3	114.34	17.1
1987-88	3.32	11.41	145.27	27.05
1988-89	3.40	2.41	177.19	21.97
Total (since inception)	52.34		901.67	

IV.59 An analysis of Table XVIII reveals that 3.40 lakh non-refundable advances were sanctioned during the year 1988-89. The amount sanctioned during the year 1988-89 was Rs. 177.19 crores which was the highest since the inception of the Scheme and recorded an increase of 21.97% over the immediately preceeding year. It may be noted here for record that 52.34 lakh advances involving a sum of Rs. 901.67 crore were sanctioned up to 31st March, 1989 (since inception of the P.F. Scheme).

IV.60 The details of advances sanctioned region-wise are given in Appendix S.9. An analysis, of this Appendix reveals that about 93.2% of the applications which were due for consideration were sanctioned during the year 1988-89.

IV.61 At the close of the year under report 24809 applications for non-refundable advances were pending for sanction as against 23161 at the end of March, 1988. The Region-wise details of pendency are given in Appendix S.10 which would indicate that 91.3% applications were pending for a period of less than two months.

Issue of Annual Statements of Accounts :

IV.62 During the year under report 123.97 lakh accounts slips were issued. As against 271.18 lakh accounts slips required to be issued during the year under report, 123.97 lakh accounts slips were issued, leaving a balance of 147.21 lakh accounts slips, of these 77.82 lakh slips could not be issued due to non-submission of returns by the employers.

IV.63 Out of a total pendency of 147.21 lakh account slips to be issued, Maharashtra region with a pendency of 54.57 lakh tops the list (37.07%). The next six regions namely West Bengal, Andhra Pradesh, Uttar Pradesh, Bihar, N.E. Region and Karnataka together account for 50.05% of the pendency. It would be seen from the above that seven regions constitute a pendency of 87.12% of the total pendency. The region-wise position of accounts slips issued is given in Appendix S.11. The Appendix S-12 contains the time analysis of pending accounts slips. It would be seen from Appendix S.12 that 40.07% pendency is for less than a year, 20.4% between one to two years and 14.44% pendency is for period between 2 to 3 years.



Annual accounts slips being distributed to casual workers of Mohitnagar State Seed Farm, Jalpaiguri. Seen in picture Central Provident Fund Commissioner, Regional Provident Fund Commissioner, Jalpaiguri, Regional Provident Fund Commissioner (Fin.), West Bengal Region and workers.

IV.64 The arrears of 147.21 lakh slips do not imply that as many subscribers have not received the accounts slips. While assessing the impact of the above pendency on the number of subscribers it has to be appreciated that if a subscriber's account slip for a particular year is not issued the issue of accounts slips for subsequent years also gets held up as Provident Fund Account of a member is a running account.

IV.65 The Organisation is continuing its efforts to issue accounts slips in all cases where necessary returns have been received from the employers. In cases where the employers remitted the provident fund dues but did not submit the relevant returns, notices were issued in newspapers requesting the employers for submission of returns in form 3A and 6A alongwith the warning that non-submission of returns could lead to penal action. Besides, Field Officers have instructions to collect the returns from employees. Necessary instructions had also been given to issue the accounts slips in cases where returns No. 3A and 6A have not been received by crediting the interest to the previous balance and debiting withdrawals, if any. The Organisation has also geared up the accounts branches in the Regions and the performance of accounts clerks is being closely monitored. The Regional Provident Fund Commissioners have been asked to take action against Accounts Clerks whose performance is found below 75% of the norm.

Housing Assistance to EPF Subscribers:

IV.66 The Organisation under the provisions of the Employees' Provident Funds Scheme, has been granting advances to the Provident Fund subscribers for purchase/construction of house etc. Of late the Organisation has assumed the role of a co-ordinator in getting houses from different housing authorities/organisations allotted to the subscribers on certain criteria. This role has been, by and large welcomed by unions as well as managements. However, distance of the houses/flats offered from the place of work has been an inhibiting factor for workers. There were also some bottlenecks as response received from some of the State Governments who are the implementing authorities in respect of housing Schemes was not encouraging. This matter has been followed up at higher levels and the Government of India has been taking up the matter with the State Governments.

IV.67 The number of withdrawals to PF subscriber for housing went up from 59976 in 1987-88 to 69533 in 1988-89 as may be seen from the following Table :—

Year	No. of advances sanctioned	Amount paid (Rs. in lakhs)
1982-83	29339	1815.25
1983-84	34232	2431.01
1984-85	39199	3414.71
1985-86	49845	4803.09
1986-87	48776	5277.93
1987-88	59976	6991.97
1988-89	69533	9107.24

IV.68 The result achieved in the matter of getting allotment of houses to subscribers from different Housing Authorities are as under :--

Region	No. of houses allotted	Sites
Haryana	200	Faridabad
Maharashtra	944	New Bombay Area
Punjab	191	Mohali
Rajasthan	12	Alwar
	197	Jaipur

IV.69 Apart from the above the following offers have also been received from different Housing Boards:--

Andhra Pradesh:

In principle the Andhra Pradesh Housing Board has agreed to allot a site at Pocharam which is 17-18 Kms. away from Hyderabad. In the meanwhile, 475 applications have been received by the RC and the same are being scrutinised to determine the eligibility.

Gujarat:

Gujarat Housing Board has offered houses at Ahmedabad and this offer has been circulated among P.F. members but workers have not shown any interest in the offer. The workers are said to be more interested in Co-operative Housing Schemes.

Haryana :

Haryana Development Authority has offered 695 houses at Karnal, Kalka and Punchkula and 791 houses at Gurgaon.

Karnataka:

Karnataka Industrial Area Development Board has offered 16 tenements to Industrial workers. 4 applications alongwith initial deposits have been submitted to the Board for allotment.

Maharashtra:

Maharashtra Housing Area Development Authority has earmarked 2244 houses at Sholapur, Aurangabad and Pimpri etc.

Orissa :

Orissa State Housing Board has offered 500 houses in Chandrasekharapur, Bhubaneshwar, and 100 LIG flats under their Special Housing Scheme at Rourkela.

Punjab :

Housing Board, Punjab has offered 90 LIG flats and 188 MIG flats at Bhatinda and 48 LIG and 394 MIG flats at Ferozepur. Further Punjab Housing Board has offered some houses/flats of different categories at Mohali, Bhatinda, Ludhiana and Jullundur for which some applications have already been received from the willing P.F. subscribers and the said applications are under process/examination by the Regional Commissioner.

Rajasthan :

Rajasthan Housing Board has offered nearly 1335 flats in the two Housing Schemes at Jaipur viz. Malviya Nagar and Mansarovar and 421 flats/houses at Ajmer, Jhunjhnu, Bhiwandi, Siwana, Balotra, Baran, Ramganjmandi and Raila. The Board had agreed to allot 328 houses at Jaipur, 2 at Jhunjhnu and 2 at Ajmer.

Uttar Pradesh :

Ghazibad Development Authority has come forward to undertake construction of 100 houses for allotment to Industrial workers but location of the site has not so far been decided. A survey for the purchase of houses from the Kanpur Development Authority, Lucknow Development Authority and Housing Board of Uttar Pradesh has been conducted. Among the E.P.F. members, only 23 members have come forward for this and the Housing Authorities have refused to accept less than 50 applications.

West Bengal :

The State Government is preparing a Special Housing Scheme for Industrial workers or to earmark a certain percentage of houses constructed by the Housing Board for industrial workers.

Important Amendments to E.P.F. & M.P. Act, 1952 :

IV.70 The Government of India, Ministry of Labour have notified the following amendment in the E.P.F. & M.P. Act, 1952 vide Notification S. O. No. 116 E published in the Gazette of India (Extraordinary) on 20th July, 1988. These amendments came into force from the 1st August, 1988.

Amendment of Sec. 1(4) :

CLAUSE 2 : Application of the Act to establishments under section 1(4) of the Act seeking voluntary coverage-powers delegated to Central Provident Fund Commissioner.

Amendment of Sec. 2 :

CLAUSE 3 : (i) Incorporation of a new Sub-Sec. (a) in Sec. 2 to specify the Central Provident Fund Commissioner, Additional Central Provident Fund Commissioner, Deputy C.P.F.C./Regional Provident Fund Commissioner and such other officer as may be notified by the Central Government as "authorised officers" for the purpose of issuing recovery certificate under Section 8.B(1) (New Sec.). (ii) To include

holiday wages as forming part of basic wages under Sec. 2(b).
(iii) To include within the definition of 'employees' persons employed by or through a contractor in or in connection with those governed by the standing orders in force in the estt. or by the Apprentices Act, 1961.

Amendment of Sec. 5-A:

- CLAUSE 4 : (i) to provide for the appointment of a Vice-Chairman of the Central Board of Trustees.
(ii) to include the Central Provident Fund Commissioner as an *ex officio* member of the Central Board of Trustees.
(iii) to increase the number of representative of employers and employees from 6 each to 10 each.
(iv) to incorporate a new clause on maintenance of proper accounts of income and expenditure in the manner to be specified in the Scheme in consultation with the Comptroller and Auditor General of India.
(v) to provide for the annual audit of the accounts of the Board by the Comptroller and Auditor General of India and certification thereof.
(vi) to provide for the submission of the audit report and the Annual Report of the Central Board of Trustees to the Government and to the Parliament.

Amendment of Sec. 5.D:

- CLASUE 5 : To insert a new section to provide for the constitution of an Executive Committee and to specify its composition, the method of appointment or election of members to the Executive Committee, terms and condition procedures and functions of the Executive Committee to be specified in the Scheme.

Insertion of a new Sec. 5-DD:

- CLAUSE 6 To introduce a new Sec. 5-DD to declare the Act and proceedings of the Board or the Executive Committee as valid notwithstanding any vacancy or any defect in the constitution of the Board or the Executive Committee.

Amendment of Sec. 5-E:

- CLAUSE 7 : To delegate powers to the Executive Committee or to the Chairman of the Central Board of Trustees or to any of its Officers.

Amendment of Sec. 6:

- CLAUSE 8 : (i) to enhance the rate of contributions from 6¼% to 8½%.
(ii) to remove the limit for voluntary contributions by employees.

- (iii) to empower the Central Government to specify the rate of contributions at 10% in respect of any industry or class of estts. as against the present rate of 8%. This amendment has come into effect from June, 1989 in respect of 98 Industries/Classes of establishments.

Amendment of Section 7-A :

- CLAUSE 9 :
- (i) to empower the Central Provident Fund Commissioner, Additional Central Provident Fund Commissioner, any Deputy Provident Fund Commissioner, Regional Provident Fund Commissioner and Assistant Provident Fund Commissioner to (a) decide the applicability of the Act to an estt. in a disputed cases and (b) determine the amount due from any employer under the three schemes.
 - (ii) to insert a new Sub-Sec. 7(3A) to empower the authority to decide the applicability or to determine the amount dues on the basis of the evidence adduced at the time of inquiry or other documents available on record in cases where the employer fails to attend the inquiry or to produce any document or to file any report before the inquiry authority.
 - (iii) to empower the authority to review an *ex parte* order passed on an appeal in writing within 3 months from the date of passing the order.

Amendment of Sec. 11.2 :

- CLAUSE 10 : to provide first priority to the outstanding employees and employers share of contributions over all other debts in case of a defaulting estts. going into liquidation.

Amendment of Sec. 14 :

- CLAUSE 11 :
- (i) to increase the period of imprisonment and amount of fine to one year in place of six months and Rs. 5,000/- in place of Rs. 1,000/- Sec. 14(1).
 - (ii) to increase the period of imprisonment to three years in place of six months under Section 14(1A)—
 - (a) to increase the period of imprisonment for the non-payment of employees share of contributions from the minimum of 3 months to a minimum of 6 months with a fine of Rs. 10,000/- and
 - (b) to specify the minimum term of imprisonment to 6 months with a fine of Rs. 5,000/—
 - (i) to delete the clause relating to the Courts discretion to impose fine only in lieu of imprisonment but the

discretion of the Court to award lesser punishment for reasons to be recorded has been retained.

- (iii) In Section 14(1B) the maximum term of imprisonment has been reviewed from six months to one year and the minimum terms has been raised from one month to six months. The amount of fine has also been raised from Rs. 2,000/- to Rs. 5,000/-. Here also the Court's discretion to award lesser punishments for any adequate and special reason to be recorded in the judgement order has been retained while the other discretion to impose fine only in lieu of imprisonment has been done away with.
- (iv) in Sub-section (2) of Sec. 14 the terms of imprisonment and amount of fine have been increased from six months to one year and from Rs. 1,000/- to Rs. 4,000/-.
- (v) Sec. 14(2A) has been amended, to increase the term of imprisonment from 3 months to 6 months subject to a minimum term of one month and the amount of fine from Rs. 1,000/- to Rs. 5,000/-.

Amendment of Sec. 14-AA :

CLAUSE 12 : to provide for the enhancement of the term of imprisonment from one year to 5 years but which shall not be less than 2 years and the amount of fine Rs. 4,000/- to Rs. 25,000/-.

Amendment of Sec. 16 :

- CLAUSE 13 :
- (i) to empower the Central Government to exempt from the application of the Act prospectively or retrospectively, all estts. belonging to or under any establishment set up under any Central Provincial or State Act whose employees are entitled to the benefits of contributory P.F. and old age pension in accordance with any scheme or rule framed by the Central/State Government or under the Central State Act.
 - (ii) to specify the infancy period as 3 years uniformly in respect of all estts.
 - (iii) to empower the Central Government to exempt any class of establishments prospectively or retrospectively from the application of the Act.

Amendment of Sec. 18 :

- (i) to provide for protection to the Central/State Government, the Tribunal or any authority from any legal suit or prosecution or other legal proceedings for any action taken in good faith under the provisions of the Act/Scheme.

CLAUSE 14 : to provide for the inclusion of the employers of exempted establishments also within explanation I to section 405 of the Indian Penal Code which deals with the offence of Criminal appropriation of trust monies.

Representations under Section 19-A

IV.71 The provisions contained in Section 19-A of the Employees' Provident Fund and Miscellaneous Provisions Act, 1952 empower the Central Govt. to remove difficulties arising in giving effect to the provisions of the Act and in particular in relation to the following matters :--

- (i) Whether an establishment which is a factory, is engaged in any industry specified in Schedule I;
- (ii) Whether any particular establishment is an establishment falling within the class of establishment to which the Act applies by virtue of a notification under clause (b) of sub-section (3) of section 1; or
- (iii) The number of persons employed in an establishment; or
- (iv) The number of years which have elapsed from the date on which an establishment has been set up; or
- (v) Whether the total quantum of benefits to which an employee is entitled has been reduced by the employer.

IV.72 The position regarding disposal of representations under Section 19-A of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 is given below :--

Disposal of Representations under Section 19-A.

1. Cases pending at the beginning of the year	248
2. Cases filed during the year	84
Total	332
Cases disposed of during the year	16
(i) Cases decided in favour of the Organisation	16
(ii) Against the Organisation	Nil
(iii) Cases pending at the end of the year	316
(a) Pending as a result of stay granted by various Courts	1
(b) Pending with the competent authority appointed by the Central Government.	315

Writ Petitions against the Organisation :

IV.73 The decisions given by the various Commissioners in relation to application of the Act and or orders made thereunder were challenged in certain cases by the aggrieved employers before the various High Courts. As on 1st April, 1988 there

were 3052 cases pending before various High Courts. During the year 1988-89, 600 fresh cases were filed. Thus out of a total of 3652 cases before various High Courts, 292 cases were decided in favour of the Organisation and 52 cases were decided against the Organisation. 3308 cases were pending before various High Courts as on 31st March, 1989.

Forfeiture Account

IV.74 Where the employers contribution is not payable to the member in full in certain contingencies as per provisions of the Scheme, the unpaid portion together with interest thereon is credited to the Forfeiture Account of the Fund. A sum of Rs. 28.54 crores was forfeited during the year as against Rs. 11.18 crores during the year 1987-88. The details of the account are given in Table XIX below :--

TABLE XIX : Forfeiture Account

	(Rs. in crores)
(i) Balance as on 31st March, 1988	87.31
(ii) Amount forfeited during the year 1988-89	28.54
(iii) Interest on forfeiture account	43.17
Total	159.02
(iv) Less amount utilised :	
(a) On account of payment from forfeiture account	0.04
(b) On account of transfer to the special Reserve Fund	2.50
(c) On account of transfer to the Death Relief Fund	0.10
Total (a to c)	2.64
(v) Net amount available in the Reserve and Forfeiture Account as on 31st March, 1989	156.38

Special Reserve Fund

IV.75 A Special Reserve Fund was created on 15th September, 1960 for making payments to the outgoing members or their nominees/heirs in cases where the employers of unexempted establishments failed to remit to the Employees' Provident Fund the whole or part of the Provident Fund Contributions. Following a decision by Government in 1965, assistance from the Special Reserve Fund is made available only to the extent of the Employees' share of contributions, recovered from the wages by the employer, but not remitted to the Employees' Provident Fund together with interest thereon. The employer's share of contribution not remitted by the employer is however, not paid to the member till the amount is actually recovered from the employer.

TABLE XX : Special Reserve Fund Account

	(Rs. in lakhs)
Opening Balance as on 1st April, 1988	(--) 10.90
Add: Amount transferred from Reserve and Forfeiture A/c during 1988-89	250.00
Add: Amount recovered from employers during 1988-89	0.14
	<hr/> 239.24
Less: Amount paid during 1988-89	23.79
	<hr/> 215.45
Balance as on 31st March, 1989	

IV.76 Table XX reveals that a sum of Rs. 250 lakhs was transferred to Special Reserve Fund Account from Reserve and Forfeiture Account during the year 1988-89 to enable making payments of employees share of contributions in arrears. A sum of Rs. 0.14 lakhs has been recovered from employers during the year. Out of this, payments amounting to Rs. 3.90 crores have been made since the inception of this fund.

Death Relief Fund:

IV.77 Financial assistance upto Rs. 2000 is available to the nominees/heirs of deceased members (whose pay did not exceed Rs. 1500 per month at the time of death), and whose balance in the Provident Fund account is less than Rs. 2000 so as to bring the total to the figure of Rs. 2000.

Assistance out of Death Relief Fund would however, not be available to the nominees/heirs of the deceased members, who after having once received full retirement benefits has secured re-employment in a covered establishment. The Death Relief Fund is fed by periodical transfers of amount from the Reserve and Forfeiture Account. Out of a total sum of Rs. 191.00 lakhs transferred so far to the Death Relief Fund, a sum of Rs. 167.78 lakhs had been paid out of the Fund upto the end of the March, 1989 leaving a balance of Rs. 23.22 lakhs. A sum of Rs. 6.51 lakhs was paid during this year in 773 cases as against Rs. 6.34 lakhs paid in 770 cases in 1987-88.

V. WORKING OF EXEMPTED ESTABLISHMENTS

IMPORTANT PROVISIONS OF THE ACT ON EXEMPTIONS

V.1 On the applicability of the Act to an establishment, the provisions of the Employees' Provident Funds Scheme become applicable to it and the employees are required to comply with the statutory provisions of the Scheme. However, such of those establishments as have their own provident fund scheme in vogue conferring benefits to their employees equal to or more than those provided under the statutory scheme may seek exemption under section 17 of the Act from the provisions of the statutory scheme, if their employees are in favour of such exemption. Likewise, individual employee or class of employees who contribute to the employer's private provident fund scheme may also seek exemption under para 27 and 27-A of the statutory scheme to continue to be subscribers under their provident fund scheme. The grant of such exemption is to enable the employees to continue to enjoy the better benefits available to them under the private provident fund scheme. Such exemption does not amount to total exclusion from the provisions of the Act and the exempted establishments continue to be covered under the Act, the only distinction being that a Board of Trustees properly constituted according to rules in the exempted establishments administer the exempted provident fund, subject to the terms and conditions under which exemption is granted and subject to such supervisions and control as laid down by the Government.

V.2 Exemption is granted to the establishment or the individual employee or class of employees subject to certain conditions namely proper constitution of Board of Trustees, recognition under the Income Tax Act, maintenance of proper accounts, submission of prescribed returns, investment of provident fund accumulations in the manner prescribed by the Central Government from time to time, payment of the specified inspection charges etc. Any such exemption granted to an establishment is liable to be cancelled for contravention of any of the conditions governing exemption and on such cancellation the establishment will be required to comply with the statutory scheme. Pending scrutiny of rules and grant of exemption to the establishment which have applied for exemption, the Regional Provident Fund Commissioners can grant relaxation to those establishments under Paragraph 79 of the Employees' Provident Fund Scheme subject to certain conditions so that the employees do not suffer reduction in the benefits available to them under the private provident fund scheme of the establishment consequent on the enforcement of the provisions of the statutory scheme.

V.3 The Employees' Provident Fund Organisation, while considering an application for exemption takes into consideration mainly the rate of contributions made by the employer and the employees, the eligibility clause, the settlement clause relating to forfeiture of employer's share and interest rate payable to the subscribers on their accumulation.

PERFORMANCE OF THE EXEMPTED ESTABLISHMENTS.

Coverage

V.4 The management of exempted establishments is the responsibility of the Board of Trustees in each establishment but the Employees' Provident Fund Organisation

exercise its control over such establishments through regular inspections by its enforcement Officers ensuring the compliance of the conditions of exemptions by such establishments. The Organisation supervises the implementation of 2882 exempted establishments which employ 4199 lakh subscribers. The significance of exempted establishments is revealed from the fact that although these establishments account for only 1.59% of the total covered establishments they employ 29.37% of total subscribers which fall under the ambit of Employees' Provident Funds and Miscellaneous Provisions Act, 1952. This comparison leads to the conclusion that the exempted establishments are much bigger in size in terms of employment strength than unexempted establishments. The average subscribers strength in case of exempted establishments works out to 1451 as against 56 subscribers in an unexempted establishment.

CONCENTRATION OF EXEMPTED ESTABLISHMENT

V.5 The region-wise distribution of exempted establishment is given in appendix-S.2. An analysis of this appendix reveals that exempted establishments are concentrated primarily in three regions namely, West Bengal, Maharashtra and Tamil Nadu. 59% of total exempted establishments are located in these three regions. Of the remaining regions, six regions, namely Andhra Pradesh, Delhi, Bihar, Uttar Pradesh, Karnataka and Gujarat account for 31% of exempted establishments. Thus, the above nine regions account for 90% of the total exempted establishments and 86% of the total subscribers in exempted sector.

Contributions

V.6 The total amount of contributions transferred to the Board of Trustees by various exempted establishments during the year 1988-89 amounted to Rs. 1387.47 crores as compared to Rs. 1151.15 crores in the preceding year thus registering an increase of 20.5% over 1987-88. The contributions received since inception of the Scheme amounted to Rs. 11,293.08 crores.

Role of Exempted Establishments.

V.7 The exempted sector plays a dominant role in mobilizing savings. Out of total collections of P.F. contributions of Rs. 2424.61 crores during 1988-89, the share of exempted establishments is Rs. 1387.47 crores.

Contributions in Arrears & Investments

V.8 The employers of exempted establishments are required to transfer the provident fund contributions (employers & employees share) to their respective Boards of Trustees by the 15th day of the following month. A grace period of 5 days is also allowed. There were 164 exempted establishments which failed to transfer contributions to the Boards of Trustees as on 31st March, 1989. Table I-A gives the region-wise details of such defaulting establishments. An analysis of this table would reveal that these 164 exempted establishments were in arrears to the tune of Rs. 129.56 crores as against 166 establishments with a default of Rs. 111.43 crores at the end of March, 1988.

Thus the arrears of exempted establishments went up by Rs. 17.93 crores during the year 1988-89. There was decline of arrears in Delhi, Haryana, Karnataka, Kerala, Bihar & Maharashtra while there was rise in arrears in West Bengal, Orissa,

North Eastern Region, Uttar Pradesh, Andhra Pradesh, Tamilnadu, Rajasthan and Gujarat.

V.9 A detailed analysis shall reveal that concentration of arrears in five regions namely West Bengal, Bihar, North Eastern Region, Rajasthan and Maharashtra is of the order of Rs. 124.82 Crores.

Industry-wise classification of arrears in exempted sector is given in table 1-B. Jute Industry alone accounts for over 63% of the total arrears of exempted establishments.

TABLE 1-A : Region-wise break-up of non-transfer of Provident Fund Contributions to Boards of Trustees and non-investment of P.F. Contributions by the Boards of Trustees of the exempted establishments as on 31-3-1989.

	Amount not transferred to Boards of Trustees		P.F. contributions not invested by Boards of Trustees		
	No. of estt.	Amount (Rs. in lakhs)	Increase/Decrease	No. of estts.	Amount
Andhra Pradesh	4	15.15	5.82	75	125.15
N.E. Region	1	659.61	651.95	8	122.66
Bihar	21	939.75	(--)42.37	27	1120.55
Delhi	1	5.76	(--)7.97	55	99.55
Gujarat	5	60.92	3.17	84	240.85
Haryana	1	5.36	(--)10.46	3	172.51
Karnataka	2	17.11	(--)11.28	8	276.72
Kerala	5	59.43	(--)18.32	46	44.86
Madhya Pradesh	5	85.58	6.82	20	612.54
Maharashtra	19	170.54	(--)58.34	435	922.25
Orissa	1	93.92	59.56	23	123.78
Punjab	--	--	--	--	--
Rajasthan	3	178.33	169.42	5	117.06
Tamilnadu	3	34.93	22.35	163	336.32
Uttar Pradesh	4	96.10	94.97	4	3.22
West Bengal	89	10533.96	948.09	15	220.68
Total	164	12956.45	1813.41	976	4538.70

TABLE I-B : Industry-wise classification of Provident Fund arrears of Exempted Establishments as on 31st March, 1989.

Sl. No.	Industry	Amount of Arrears (in lakhs)	Percentage of Arrears
1.	Jute	8169.01	63.04
2.	E.M.G.E.	1751.69	13.52
3.	Textile	606.48	4.68
4.	Road Motor Transport	1336.79	10.32
5.	Trading and Commercial	232.90	1.80
6.	Sugar	77.67	0.60
7.	Newspaper	97.47	0.75
8.	Heavy and Fine Chemicals	12.98	0.11
9.	Tea and Plantation	41.47	0.32
10.	Others	629.99	4.86
Total		12956.45	100%

TABLE II : Classification of PF arrears as on 31st March, 1989 in Public Sectors and Private Sector in respect of exempted establishments.

	(Rs. in lakhs)		
	Public Sector	Private Sector	Total
Andhra Pradesh	--	15.15	15.15
N.E. Region	652.55	7.06	659.61
Bihar	746.68	193.07	939.75
Delhi	--	5.76	5.76
Gujarat	--	60.92	60.92
Haryana	--	5.36	5.36
Karnataka	--	17.11	17.11
Kerala	--	59.43	59.43
Madhya Pradesh*	5.19	80.39	85.58
Maharashtra	80.22	90.32	170.54
Orissa	67.11	26.81	93.92
Punjab	--	--	--

	(Rs. in lakhs)		
	Public Sector	Private Sector	Total
Rajasthan	178.33	--	178.33
Tamilnadu	--	34.93	34.93
Uttar Pradesh*	--	96.10	96.10
West Bengal	1759.31	8774.65	10533.96
Total	3489.39	9467.06	12956.45

V.10 The Table-II indicates the bifurcation of total arrears of Rs. 12956.45 lakhs between public sector and private sector exempted establishments. It would be noted from the Table that a sum of Rs. 3489.39 lakhs is in default by public sector exempted establishments and Rs. 9467.06 lakhs is in default in the private sector exempted establishments. Of the total arrears 73% are falling within the private sector exempted establishments.

*Provisional

Classification of Arrears

TABLE III : Classification of Provident Fund Arrears by type of establishments as on 31-3-89

S. No.	Classification of arrears	No. of defaulting establishments	Amount in arrears (Rs. in lakhs)
			(1988-89)
(i)	Closure of establishments	30	2082.84
(ii)	Establishments under liquidation	12	423.64
(iii)	Arrears in respect of estts. where recovery has been stayed or re-construction schemes are pending before the High Courts.	29	5431.13
(iv)	Pre-take over dues in respect of Units taken over by the National Textile Corporation/Authorised controllers where liabilities have been frozen	6	162.25
(v)	Post-take over and pre-nationalisation dues in respect of units taken over by National Textile Corporation	NIL	NIL

(hs)

S. No.	Classification of arrears	No. of defaulting establishments	Amount in arrears (Rs. in lakhs)
(vi)	Pre-take over dues in respect of units taken over/assisted by the Industrial Reconstruction Corporation of India	1	20.73
(vii)	Current dues in respect of units taken over/assisted by the Industrial Reconstruction Corporation of India	5	23.17
(viii)	Establishments run by receivers/custodians	1	12.49
(ix)	Others	80	4800.20
Total		164	12956.45

V.11 As per the notification of Government of India dated 15th December, 1980 issued by the Ministry of Labour, the employers of the Exempted Establishments are required to transfer the amount of contribution to their respective board of trustees within 15 days of the close of the month. The Boards are required to invest every month within a period of two weeks the investible funds from the date of receipt of the contributions from the employers. At the end of the March, 1989 a total sum of Rs. 45.39 crores remained uninvested with the Boards of Trustees of exempted establishments.

V.12 The gross investment made during the year 1988-89 was of the order of Rs. 1713.48 crores as against Rs. 1621.06 crores in the previous year. The security-wise pattern of investment followed by the Boards of Trustees has been given in Chapter IV (Table-VI). The net investment by exempted establishments after deduction of Rs. 397.65 crores towards redemption proceeds amounted to Rs. 1315.83 crores.

Action taken to Liquidate Arrears

V.13 During the year 1988-89 in order to liquidate arrears 4365 show cause notices were issued. Besides 318 prosecutions were filed under section 14(2A) of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952. 80 complaints were filed for offences punishable under section 406/409 of I.P.C. against the defaulting employers who failed to remit the provident fund contribution deducted from the wages of the employees.

Amount Involved in Litigation

V.14 Four exempted establishments (two each in Kerala and Maharashtra) have obtained stay orders from the Courts restraining the R.P.F.Cs. from taking any

12956.45
4800.20
8156.25

action to recover the arrears amounting to Rs. 62.95 lakhs. In West Bengal Region, 25 exempted establishments who had failed to transfer the provident fund contributions to their Boards of Trustees amounting to Rs. 53.68 crores have obtained stay orders from the Court. It would thus be seen that out of arrears of Rs. 105.34 crores in West Bengal region an amount of Rs. 53.68 crore is covered by stay orders.

Position with regard to observance of conditions Governing Grant of Exemption and observance of Guidelines of the Functioning of Boards of Trustees.

V.15 As already stated in paras V.1 and 2 above, the exemption is granted to the establishments under section 17(1) of the E.P.F. Act subject to certain terms and conditions. On the basis of the recommendations made by the exempted committee, the terms and conditions were revised by the Government in 1983 to make it more stringent. While there has not been any difficulty in applying the revised conditions to all fresh cases, some of the old exempted establishments which were granted exemption prior to July, 1983 have resisted and objected to the application of revised conditions. The objections taken by the old exempted establishments are being examined.

V.16 The exempted committee had also formulated the guidelines on the functioning of the Boards of Trustees. It is now proposed to amend Paragraph 79 of the Employees' Provident Fund Scheme, 1952 to incorporate the said guidelines to give it legal sanction for its implementation. The guidelines already provide for operation of bank account by any two trustees authorised by the Board, one of them being an employees' trustee. There is also a proposal to amend the guidelines on the functioning of Board of Trustees so that the joint signature of the representative of employees' and employers' in the Board of Trustees of the Exempted Establishments should be insisted upon in respect of each transaction even for the purchase of securities in the shape of G.P. Note and inscribed stock also, wherever necessary.

Advances/Withdrawals Sanctioned/Paid to the Subscribers.

V.17 A statement showing the advances sanctioned and amount paid with a comparative view for the last year is given in Table IV.

V.18 Statement showing the advances sanctioned and an amount paid during the year 1987-88 and 1988-89 is given below in Table IV.

TABLE IV : Advances sanctioned and amount paid for the years 1987-88 and 1988-89

	Cases		Amount (Rs. in lakhs)	
	1987-88	1988-89	1987-88	1988-89
1. Financing L.I.C. Policy	25303	24652	301.28	158.53
2. Housing Advance	201549	221240	24831.51	27939.61

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	Cases		Amount (Rs. in lakhs)	
	1987-88	1988-89	1987-88	1988-89
3. During Temporary Closures	28251	36300	618.99	435.31
4. Illness of Members/ Family Members	141492	157932	4770.00	6126.94
5. Member's own marriage	271722	253657	13235.45	17771.31
6. Others	100552	132091	5692.14	8752.28
Total	768869	825872	49449.37	61183.98

Settlement of claims

V.19 The Category-wise settlement of provident fund claims settled by exempted establishments studied on sampling basis in 16 regions i.e. all regions is given in Table V.

TABLE V : Category-wise claims settled by exempted establishments during the year

	1987-88		1988-89	
	No. of cases	Amount (in lakhs)	No. of cases	Amount (in lakhs)
1. Death	12066	2776.81	9986	3586.33
2. Resignation/ Termination	55905	9272.75	50363	9539.43
3. Retrenchment	18582	5205.93	11944	2537.84
4. Superannuation	33524	29281.64	31838	12890.37
5. Permanent invalidation	2492	440.86	1625	362.31
6. Dismissal	3411	236.30	3588	229.25
7. Migration	887	271.18	1589	419.34
8. Others	14674	5711.73	8595	3372.86
Total	141541	53197.20	119468	32937.73

V.20 Out of 17201 claims settled under EDLI scheme, 4066 cases pertained to exempted establishments. During the year under report 5066 claims were due for settlement out of which 2214 were settled within a period of 21 to 30 days. The amount authorised for payment amounted to Rs. 324.31 lakhs. At the end of the year 1000 claims belonging to the exempted establishments were pending.

Forfeiture Account

V.21 The condition of the exemption lays down that if the provident fund rules of the establishments provide for forfeiture of the employers contribution in cases where an employee ceases to be a member of the fund on the lines of paragraph 69 of the Employees Provident Fund Scheme, 1952, the Board of Trustees shall maintain separate account of the amounts so forfeited and may utilize the same for such purposes as may be determined with prior approval of the Central Provident Fund Commissioner. Instructions have already been issued allowing the exempted funds to utilize the balance standing in their credit of forfeiture account for the following purposes :-

- (i) To maintain a higher rate of interest on the members accounts at least at par with the rate of interest declared by the Government of India in respect of unexempted establishments.
- (ii) To operate the Death Relief Fund.
- (iii) To make good the capital loss to the fund on account of purchase/sale/redemption of securities.
- (iv) To meet the money order commission in connection with despatch of provident fund consequent on settlement of claims to the members or their deceased's family members provided if the amount exceeds Rs. 500/-, the same shall be remitted at the cost of the payee.
- (v) Ad hoc payment of Rs. 30/- to the heirs of deceased member as on aid for procuring a succession/guardianship certificate.

The information about utilization of this money during 1987-88 and 1988-89 is given below in Table VI.

TABLE VI : Forfeiture Account

Details	**1987-88 Amount (in lakhs)	*1988-89 Amount (in lakhs)
1. Total amount lying in the forfeiture account of the exempted establishments.	1773.48	1841.06
2. The amount utilized for different purposes out of the forfeiture account during the year.	131.61	112.07
3. Balance in forfeiture account lying with the trusts.	1641.87	1728.99

**This relates to 1660 establishments.

*This relates to 1606 establishments.

Rate of Interest

V.22 The details of rate of interest declared by exempted establishments during the year 1987-88 and 1988-89 is given in the Table VII.

TABLE VII : Distribution of Exempted Establishments by Rate of Interest.

	Rate of Interest (87-88 & 88-89)			
	Establishments		Subscribers	
	1987-88	1988-89	1987-88	1988-89
Less than 9%	6	3	1537	1468
More than 9% but less than 10.15%	50	30	69025	28638
More than 10.15% but less than 11.50%	284	71	356971	204326
At the rate of 11.50%	617	71	829572	130914
11.50% and above but less than 11.80%	165	224	392380	471570
At the rate of 11.80%	4	885	6928	1493792
More than 11.80%	25	263	65792	426873
	1151	1547	1722205	2757581

V.23 Out of 2882 total exempted establishments a survey was conducted with respect to 1547 establishments to ascertain the rate of interest declared by them. An analysis of Table VII reveals that 74.21% establishments declared either the statutory rate of interest or more than the statutory rate to their subscribers which is 69.50% of the total subscribers in the establishments surveyed.

Observance of exempted estts. month :

V.24 The month of May, 1989 was observed as exempted estts. month and accordingly the organisation conducted country-wise inspections of exempted estt. In the month of May, 1989 concerted efforts were made by the Enforcement Officers to visit the exempted estts. and to collect data about the functioning of each establishment in the exempted sector. The data generated through this census will enable the Organisation to formulate future programmes for the effective functioning of exempted establishments.

V.25 It is hoped that with further strengthening of the inspection and monitoring machinery for exempted establishments and more frequent dialogue between the Employees' Provident Fund Organisation and the representatives of exempted establishments will show perceptible improvements in the coming year.

AMENDMENT OF E.P.F. & M.P. ACT, AFFECTING EXEMPTED ESTABLISHMENTS

V.26 With effect from 1st August, 1988, the E.P.F. & M.P. Act, 1952 has been amended (by Amendment Act of 1988) as detailed below affecting the exempted establishments :--

- (1) Section 2(F) of the Act has been amended so as to cover apprentices also (other than the apprentices engaged under the Apprentices Act, 1961 or under the standing orders of the establishment) to make them entitled to get the P.F. benefits.
- (2) The provisions of Section 6, 7-A and 8, 14 and 14-B of the Act have been extended to the employers of exempted establishments. The R.P.F.C. has now been given additional powers to determine the P.F. dues, to recover the arrears and to levy and recover damages for late remittance from the employers of exempted establishments.
- (3) In order to check the practice of grant of unilateral exemption by the appropriate Government, Section 17 of the Act has been amended to provide that no exemption shall be made except after consultation with the Central Board of Trustees.
- (4) Section 17 has been amended to provide for establishment of a Board of Trustees for the administration of the P.F. of the establishment consisting of such number of members and the terms and conditions of service of members of the Board of Trustees as may be specified in the Scheme.
- (5) For any violation, the employer as well as Board of Trustees of exempted establishments can now be prosecuted under section 17 of the Act.
- (6) Section 405 of I.P.C. has also been amended so as to include the employers of exempted establishments as well as un-exempted establishments for being proceeded against for criminal breach of trust

VI. WORKING OF THE EMPLOYEES' FAMILY PENSION SCHEME, 1971.

VI.1 The Scheme provides for Family Pension and Life Assurance benefits. This Scheme is compulsorily applicable to all employees who have become members of the provident fund on or after 1st March, 1971 but is optional to those who had become members of the Provident Fund prior to that day. However, w.e.f. 1st April, 1988 such employees who had not earlier exercised the option to join the scheme within the stipulated period and were deprived of the membership of the Family Pension Fund, have been given option to join this scheme to be exercised at any time during their membership of the Employees' Provident Fund provided that the employee pays the arrears of contribution which would have been diverted from the Provident Fund to Family Pension Fund for the past period w.e.f. 1st March, 1971 together with interest thereon at the specified rates.

Financing of the Scheme

VI.2 The Scheme is financed by diverting 1.1/6% of pay of the employees out of their share of contributions towards provident fund, with an equal amount from employers share of provident fund contributions. The Central Government also contributes to the Family Pension Fund at 1.1/6% of the pay of the members. All the money belonging to Family Pension Fund is kept in deposits in 'Public Account' and interest at the rate of 8½% per annum is allowed thereon with effect from 1st April, 1988. Earlier the rate of interest allowed was 7½% with effect from 1st April, 1981 and prior to that the rate of interest was 5½%.

Benefits

VI.3 The benefits payable under this Scheme have been liberalised with effect from 1st April, 1988 on the basis of an actuarial study conducted by the Actuary and the liberalised benefits of family pension, life assurance benefits, retirement-cum-withdrawal benefits, besides refund of members' own share of contribution if the member has left service or died before completion of the requisite specified service, are given below.

VI.4 FAMILY PENSION

If a member of the Family Pension Scheme dies during reckonable service before attaining the age of 60 years, Family Pension will be paid to a surviving member of his family at the rates specified in Table-I given below, provided the member has contributed to the Family Pension Fund for a period of not less than three months. The Pension is payable from the day immediately following the death of the member.

TABLE-I

Pay of the member per month on which contribution to the Family Pension Fund is payable.	Monthly rate of Family Pension (with effect from 1st April, 1988)
1. Upto Rs. 300.00	Rs. 225.00 (Fixed)
2. Exceeding Rs. 300.00 but not exceeding Rs. 650.00	Rs. 275.00 (Fixed)

Pay of the member per month on which contribution to the Family Pension Fund is payable.	Monthly rate of Family Pension (with effect from 1st April, 1988)
3. Exceeding Rs. 650.00 but not exceeding Rs. 1200.00	40% of pay subject to a minimum of Rs. 300.00 and maximum of Rs. 450.00
4. Exceeding Rs. 1200.00 but not exceeding Rs. 1600.00	35% of pay subject to a minimum of Rs. 450.00 and maximum of Rs. 510.00
5. Exceeding Rs. 1600.00	30% of pay subject to a minimum of Rs. 510.00 and maximum of Rs. 750.00

VI.5 If the member had contributed to Family Pension Fund for a period of not less than 7 years before his death, the beneficiary will get the enhanced pension:—

- (a) for a period of seven years from the day immediately following the date of death, or
- (b) till the date on which the member would have reached the age of 60 years, had he remained alive, whichever is earlier.

The enhanced pension payable will be at the rate specified in the Table above plus 20% of the pay of the member as determined for the purpose of working out the normal pension.

VI. 6 LIFE ASSURANCE BENEFIT

Where a member who has contributed to the Family Pension Fund for a period of not less than three months, dies while in reckonable service, a lump sum amount of Rs. 5,000 is payable to his/her family as Life Assurance Benefit, with effect from 1st April, 1988. Prior to that date this amount was Rs. 2,000.

VI.7 RETIREMENT-CUM-WITHDRAWAL BENEFIT

The retirement-cum-withdrawal benefit becomes payable to the member either on attaining the age of 60 years or on cessation of membership from the Family Pension Fund before attaining the age of 60 years for reasons other than death. This is subject to the condition that the member has contributed to the Family Pension Fund for a period of not less than one year. The rate of Retirement-cum-withdrawal benefit which earlier varied with number of full year's contribution paid or was payable and was subject to a minimum of Rs. 110 (with one year's contribution paid) and a maximum of Rs. 9,000 (with 40 years' contributions paid), has been revised and enhanced to a maximum of Rs. 19825 linking the same to the pay of the member last drawn and the number of full year's contribution paid or was payable.

revised rates of retirement-cum-withdrawal benefit are given in Table-II below.

TABLE-II
Revised rates of retirement-cum-withdrawal benefit

Monthly pay of the member	Amount payable
(i) Pay upto Rs. 690.00	Rs. 110.00 (for one year's contribution paid) to Rs. 9,000.00 (for 40 years contribution paid).
(ii) Pay from Rs. 691.00 to Rs. 1130.00	Minimum of Rs. 112.00 to Rs. 181 (staggered (for one year's contribution paid) and maximum of Rs. 9,000 (for 40 year's contribution paid).
(ii) Pay exceeding Rs. 1130.00	Minimum of Rs. 182 to Rs. 400 (for one year's contributions paid) and maximum of Rs. 9040 to Rs. 19825 staggered (for 40 year's contribution paid).

Performance of the Scheme

COVERAGE

There were 99.98 lakh subscribers to the Family Pension Fund as on 31st March, 1989 which comprised of 26.52 lakh subscribers in exempted establishments and 73.46 lakh in unexempted establishments. The number of subscribers under the scheme rose by 5.44 lakh during the year 1988-89.

A sum of Rs. 330.09 crores was received by way of contributions towards Family Pension Fund during the year 1988-89. The Government's contribution amounted to Rs. 85.68 crores. The contributions received since the inception of the scheme amounted to Rs. 2042.11 crores which comprised of Rs. 552.55 crores of Government's share and Rs. 1489.56 crores of employers' and employees' share of contributions. The year-wise details of Family Pension contributions received are given in Appendix S.13.

During the year under report, Employees' Family Pension Fund rose by Rs. 548.27 crores. This addition comprised of Rs. 196.10 crores by way of net share of employees' and employers' contributions, after deducting the amount paid for the benefits given under the Scheme, Rs. 85.68 crores as Government share of contributions and Rs. 215.47 crores by way of interest receipts, and Rs. 51.02 crores of arrears upto the year 1987-88 realised and invested. The total balance in the Public account stood at Rs. 2920.61 crores as on 31st March, 1989.

Arrears of Family Pension Contributions

A sum of Rs. 905.03 lakh was in arrear towards Family Pension contributions to be recovered from defaulting employers as on 31st March, 1989 as against Rs. 740.63 lakhs at the end of the year 1987-88. The arrears of Family Pension contributions as on 31st March, 1989 figured as 0.60% of total contributions received so far by way of employees' and employers' share.

Steps taken to liquidate arrears

VI.10 Prosecution cases under Section 14 of the Act were launched against the defaulting employers.

The Table III below gives the details of prosecutions filed and disposed of during the year 1988-89 and those pending at the end of the year under review.

TABLE III

(a) Pending cases as on 31-3-1988	15058	VI.13
(b) Cases launched during 1988-89	2759	1988-
(c) Total cases for disposal	17817	
Cases decided during the year		Sr.No
(i) Convicted	708	1.
(ii) Acquitted	11	2.
(iii) Withdrawn	11	3.
(iv) Dismissed	21	4.
	751	
(d) Pending cases as on 31-3-1989	17066	
(e) Break-up of pending cases:		Settle
Pending for		VI.14
(i) Less than 6 months	1572	natur
(ii) 6 months to one year	931	prote
(iii) One to two years	4999	respe
(iv) Two to three years	5527	perio
(v) More than three years	4037	regio
		gives
Total :	17066	

The Region-wise details covering the data given in Table above appear at Appendix S-14.

VI.11 Action was also taken under Section 8 of the Act by launching 3974 Revenue Recovery cases involving a sum of Rs. 193.47 lakhs. During the year under report 2867 revenue Recovery cases were decided resulting in recovery of Rs. 67.79 lakhs. At the end of the year, 20326 Revenue Recovery cases involving a sum of Rs. 721.59 lakhs were pending.

SETTLEMENT OF FAMILY PENSION CLAIMS (ALL BENEFITS)

VI.12 During the year under report 5.84 lakh family pension claims were settled as against 5.24 lakh claims settled during the previous year. These included 14934 monthly Family Pension claims settled during the year.

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The regionwise position of claims settled is given in Appendix S.15. As on 31st March, 1989, 60176 family pension claims were pending in various regional offices. Of the pending cases, 48516 claims (80%) were pending for less than 2 months, 9536 claims (16%) were pending for period between 2 to 6 months and 2094 claims (3%) were pending for the period between 6 to 12 months. The 30 claims constituting 0.05% of the total pendency were pending for more than one year. The region wise analysis of outstanding family pension claims (all benefits) as on 31st March, 1989 is given in Appendix S.16.

VI.13 The category-wise break up of family pension claims settled during the year 1988-89 is indicated in Table IV below:--

TABLE-IV : Category-wise settlement of Family Pension Claims :

Sr.No.	Category	No. of claims settled
1.	Monthly Family Pension benefit	14934
2.	Life Assurance benefit	13543
3.	Retirement-cum-withdrawal benefit	481805
4.	Refunds	73537
Total :		583819

Settlement of Monthly Family Pension Cases

VI.14 The benefits provided under the Family Pension Scheme are mostly of the nature of "once for all" except monthly Family Pension which provides long term protection and security to the heirs of the deceased members. The progress with respect to settlement of monthly Family Pension cases was monitored at regular periodical intervals. For expeditious settlement of claims, Officers-in-charge of sub-regional offices have been authorised to issue the pension payment orders. Table V gives the progressive total of monthly family pension claims settled year-wise.

TABLE-V : No. of Monthly Family Pension Claims Settled

Year	No. of cases settled
(a) From 1973 to 1983	15780
(b) 1983-84	8462
(c) 1984-85	6468
(d) 1985-86	8045
(e) 1986-87	9206
(f) 1987-88	13109
(g) 1988-89	14934
Total (up to 31-3-1989)	76004

VI.15 During the year under report 14934 monthly family pension cases were settled authorising an amount of Rs. 774.00 lakhs as against 13109 claims involving an amount of Rs. 416.56 lakhs in the previous year. It would be seen that in terms of number of cases settled the performance of the Organisation has gone up by 13.9% and in terms of amount disbursed a good progress has been maintained which registered an increase of 85.8% when compared to the previous year. A regionwise statement showing the position of monthly family claims settled is given in Appendix S. 17.

VI.16 As on 31st March, 1989, 4361 monthly family pension claims were pending in various Regional Offices/SROs. The data with regard to the outstanding cases indicating the periodicity of pending cases are given in Appendix S.18. It would be seen from the Appendix S:18 that 66.9% (2919) cases were pending for less than 2 months, 25.5% (1112) cases were pending for a period of two to six months, 7.2% (315 cases) were pending for a period ranging between 6 months to 1 year and 15 cases were pending for more than one year.

EXEMPTION FROM THE EMPLOYEES' FAMILY PENSION SCHEME

VI.17 The Central Provident Fund Commissioner is the appropriate authority to grant exemption to establishments covered under the provisions of the Employees' Provident Fund and Misc. Provisions Act from the Employees' Family Pension Scheme. The number of establishments which have so far been granted exemption stood at 46.

The Central Government have also granted exemption to all the departmentally run establishments under the control of the Ministry of Railways.

VII WORKING OF EMPLOYEES' DEPOSIT LINKED INSURANCE SCHEME, 1976

Application of the Scheme

VII.1 The Employees' Deposit Linked Insurance Scheme, 1976 is applicable to all factories/establishments to which the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 applies. This Scheme came into force with effect from 1st August, 1976.

Coverage under the Scheme

VII.2 All the employees who are members of the provident fund both in the exempted and the unexempted establishments are covered under this scheme.

Contribution and Administrative Charges

VII.3 While the employees members are not required to contribute to the Insurance Fund, the employers are required to pay contributions to the Insurance Fund at the rate of 0.5 percent of pay i.e. basic wages, dearness allowance including cash value of food concession and retaining allowance, if any. The Central Government also contributes to the Insurance Fund at the rate of 0.25% of the pay in respect of the covered employee.

VII.4 The employees of all covered establishments are required to pay administrative charges to the Insurance Fund, for meeting the expenses. The rate of administrative charges which was 0.1% of the pay of the employee members has been reduced from 0.1% of the pay to 0.01% of the pay with effect from 1st October, 1987, subject to a minimum of Rs. 2. P.M.

The Central Government also meets partly the expenses in connection with the administration of the insurance scheme by paying into the Insurance Fund, an amount at the rate of 0.005% with effect from 1st October, 1987 of the pay drawn by the employee members subject to a minimum of Rs. 1.00 P.M.

Administration of the Insurance Fund

VII.5 During the year under report a sum of Rs. 52.76 crores was received by way of contributions towards the Insurance Fund which comprised of Rs. 36.17 crores as employer's share and Rs. 16.59 crores as Government share. The administration and inspection charges contributed by the employers amounted to Rs. 3.57 crores. The contributions and Administrative charges received year-wise since inception of this Scheme are at Appendix S-19.

Investments

VII.6 With effect from 1st April, 1982 the contributions received in the "Insurance Fund" are kept in deposit in the Public Account after making payments, due on account of benefits provided under this Scheme. The rate of interest on such accumulations in the Public Account which was 7½% upto 31st March, 1988 was raised to 8½% with effect from 1st April, 1988.

VII.7 Prior to April, 1982 the Insurance Fund contributions were invested according to the pattern of investment prescribed by the Central Government from time to time through the Reserve Bank of India.

The position of investment of Insurance Fund is indicated in the Table given below:--

TABLE 1 : Investment of Employees' Deposit-Linked Insurance Fund

S.No.	Type of investment	Amount (Rs. in crores)	
1.	Investment in securities Balance as on 1-4-1988	8.65	
	Less Redemption during 1988-89	3.48	5.17
2.	Deposit in Public Account		458.16
3.	Investment during 1988-89 —		
	(a) Employers' share of contributions net of payments		23.93
	(b) Government share of contributions		16.59
	(c) Government contributions in arrears realised and invested		0.27
4.	Interest on investment in securities		0.57
5.	Interest on balance amount kept in Public Account		40.81
6.	Re-investment of securities redeemed		3.48
	Balance as on 31-3-1989		548.98

Benefits payable under the Scheme

VII.8 On the death of an employee (while in service) who is a member of E.P.F. or of the exempted Provident Fund the persons entitled to receive the provident fund accumulations will be paid an additional amount, equal to the average balance in the provident fund account of the deceased during the preceding three years, if such average balance was not below Rs. 1,000 at any time during the said period. The maximum amount of benefit payable under the Scheme is, however, restricted to Rs. 10,000.

Claims settled during the year

VII.9 During the year under report 22815 claims became due for settlement. Out of these 17201 (75.39%) claims were settled and an amount of Rs. 12.25 crores was authorised for payments. During the previous year the Organisation settled 21515 claims authorising a payment of Rs. 13.55 crores.

VII.10 Out of the total claims settled during the year 46% of claims were settled within a period of 20 days. The average amount authorised for payment per claim settled during the year was Rs. 7,120 as against Rs. 6,298 during the previous year. The regionwise position of claims settled and amount authorised for payment is given in Appendix S. 20.

VII.11 5614 EDLI claims were pending for disposal in various regional/sub-regional offices on 31st March, 1989 as against 6210 cases pending as on 31st March, 1988. The regionwise details of pending EDLI claims are given in Appendix S.21. The table reveals that 3931 claims (70%) were pending for disposal for less than two months, 1489 claims (26.52%) were pending for a period ranging from 2 to 6 months, 193 claims (8.43%) were pending for disposal for a period between 6 to 12 months.

Beneficiaries under the Scheme since inception

Upto the end of 31st March, 1989 the benefit under the Scheme was extended to 146273 widows or legal heirs of the deceased members of the Scheme.

Arrears

A sum of Rs. 2.96 crores was in arrear towards contributions to the EDLI Fund as on 31st March, 1989 from defaulting establishments. In addition to this a sum of Rs. 1.17 crores was in arrears on account of administrative charges and inspection charges from the establishments.

Steps taken to liquidate arrears

For recovery of arrears prosecution cases under Section 14 of the Act were launched.

The table II below gives the data on prosecutions under Section 14.

TABLE II

(a) Pending cases as on 31-3-1988	12688 (R)
(b) Cases launched during 1988-89	2555
Total cases for disposal	15243
(c) cases decided during the year	
(i) convicted	614
(ii) acquitted	13
(iii) withdrawn	11
	638
(d) Pending cases as on 31-3-1989	14605
(e) Break-up of pending cases for :	
(i) Less than 6 months	1373
(ii) 6 months to one year	1085
(iii) One to two years	5515
(iv) Two to three years	3125
(v) More than three years	3507
Total :	14605

The Region-wise details covering the data given in Table II above, appear at Appendix S. 22.

Further, during the year under report 3485 Revenue Recovery cases involving a sum of Rs. 84.95 lakhs were instituted. An amount of Rs. 44.09 lakhs was realised through the recovery process decided in 2336 cases. As at the end of the year 18337 cases are pending involving a sum of Rs. 285.43 lakhs.

Exemption from the Scheme

Factories/establishments which have an insurance scheme conferring more benefits than those provided under this statutory scheme, may be granted exemption subject to certain conditions, if a majority of the employees are in favour of such exemption. Individual employees or class of employees may also be granted exemption subject to certain conditions. The Central Provident Fund Commissioner is the appropriate authority for grant of exemption from the EDLI Scheme. During the period under report such exemptions were granted to 89 establishments. The total number of establishments which have been granted exemption from the Scheme upto 31st March, 1989 stood at 1741.

Liberalisation of benefits under the Scheme

The Central Board of Trustees, Employees' Provident Fund had recommended to the Government liberalisation of the existing Scheme. The details of recommendations suggested are:--

- (i) Dispensing with the minimum average balance of Rs. 1,000 for entitlement of assurance benefits;
- (ii) When the condition of minimum average balance is dispensed with or relaxed, the minimum amount of Rs. 1,000 be granted as insurance benefits.
- (iii) The enhancement of maximum amount of insurance benefit from the present limit of Rs. 10,000 to Rs. 15,000.
- (iv) Linking of assurance benefit to the last 10 months' average balance in Provident Fund of the deceased member instead of 36 months average balance.

The above recommendations were pending with the Government as these requirement of clauses 6 and 7 of Schedule IV of the EPF and MP Act, 1952. The Act has since been suitably amended by E.P.F. and M.P. (Amendment), Act, 1988.

VIII. ADDITIONAL EMOLUMENTS (Compulsory Deposit) Act, 1974

VIII.1 The Employees' Provident Fund Organisation is entrusted with the administration of Additional Emoluments (Compulsory Deposit) Scheme, 1974 for the employees other than the employees of Government and Local Authorities. The number of specified authorities (i.e. employers) whose accounts were maintained by Regional Provident Fund Commissioners of the Organisation is as under :--

	No. of specified authorities
Additional Wages A/c.	17,865
Additional D.A. (old) A/c.	63,601
Additional D.A. (New) A/c.	66,570

The deposits received upto 31st March, 1989 on account of Additional Wages and Additional Dearness Allowances (old and new account) are as under :--

	Amount in Crores
Additional Wages A/c.	52.58
Additional D.A. (old) A/c.	502.23
Additional D.A. (new) A/c.	220.52

Total : 775.33

VIII.2 The deposits in Additional Wages A/c. and Additional D.A. (old) A/c are repayable in five annual instalments and Additional D.A. (new) A/c. by transfer to the Provident Fund Accounts of the employees. The last instalment fell due for repayment on 6th July, 1983. Though bulk of the deposits received has been repaid, an amount of Rs. 12.96 Crores still remains to be refunded. The remaining amount could not be paid by the Regional Provident Fund Commissioners due to non-receipt of claims from the Specified Authorities even after issue of Notices and Circulars to the parties concerned.

VIII.3 58 specified authorities failed to deposit an amount of Rs. 123.95 lakh deducted from the salary of their employees as on 31st March, 1989.

VIII.4 Action to recover the defaulted amount by way of revenue recovery proceeding against 47 specified authorities and prosecutions under A.E. (C.D.) Act, 1974 against 42 specified authorities involving an amount of Rs. 121.64 lakh has been taken. Complaints under Section 406/409 of Indian Penal Code have also been filed against 24 specified authorities.

VIII.5 Out of penal interest on belated remittances levied to the tune of Rs. 321.47 lakhs against 10,060 authorities, a sum of Rs. 240.96 lakhs has been recovered.

VIII.6 The expenditure incurred by the Organisation on the implementation of the Additional Emoluments (Compulsory Deposit) Scheme, 1974 is reimbursed by the Government of India, Ministry of Finance. A sum of Rs. 457.11 lakhs have been received from the Government since the inception of scheme upto 31st March, 1989. As against this, an expenditure of Rs. 486.63 lakhs has been incurred upto 31st March, 1989. The details of the amount received from the Government and the expenditure incurred are given in Appendix S. 23.

IX. ADMINISTRATION OF THE ORGANISATION

STAFF STRENGTH

IX.1 The Total sanctioned strength of the Employees' Provident Fund Organisation including Officers and Staff was 15,064 as on 31st March, 1989 and against this, 14,028 employees were in position as on 31st March, 1989. The group-wise position of sanctioned staff vis-a-vis staff in position is given below:--

STAFF STRENGTH AS ON 31-3-1989

Category of Staff	Sanctioned strength	In position
Group 'A'	334	251
Group 'B'	1279	1147
Group 'C'	11555	10904
Group 'D'	1896	1726
TOTAL	15064	14028

IX.2 During the year 223 new posts were sanctioned. Out of these, 216 posts were created in the Regional Offices and 7 in the Central Office for affective implementation of the provisions of the Employees' Provident Fund and allied Schemes. Out of the total posts created, 2 belonged to Group 'A', 62 belonged to Group 'B' category, 107 belonged to Group 'C' category and 52 belonged to Group 'D' category. In group 'A' category even though two new posts were created during the year, 3 posts of Assistant Provident Fund Commissioners (Grade I) which were upgraded last year were omitted to be accounted for and hence one post has been deducted and shown this year.

IX.3 The position of the sanctioned staff vis-a-vis staff in position during the last six years is given below :--

Staff Strength during the last Six Years

Position as on	Total sanctioned (including Officers)	In position (including Officers)
31-3-1984	13118	12036
31-3-1985	13657	12201
31-3-1986	14023	13258
31-3-1987	14519	13715
31-3-1988	14844	13828
31-3-1989	15064	14028

Of the total number, of Officers and staff in position, the number of Officers and staff belonging to Scheduled Castes and Scheduled Tribes as on

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Function organised by Employees Provident Fund Recreation Club Cuddapah. Seen in the picture, Mrs. Chandana Khan, I.A.S., District Collector and Magistrate presided over the function.

31st March, 1989 is as under :--

	Total No. Officers and Staff in position	Officers and Staff belonging to Scheduled Castes/ Scheduled Tribes	
		SCs	STs
(i) Group 'A'	251	31	11
(ii) Group 'B'	1147	177	61
(iii) Group 'C'	10904	1669	522
(iv) Group 'D'	1726	602	155

Departmental Examinations

IX.4 Departmental examination are regularly conducted for filling up various posts falling in the examination quota. During the year 1988-89 departmental examinations for various cadres i.e., LDC, UDC and Hindi Translator (Gr. II) both for direct recruitment and departmental promotion involving 1153 candidates in all in 16 Regional and 45 Sub-Regional Offices were conducted. Out of the candidates who appeared, 444 candidates came out successful.

The Organisation is also contemplating to hold "Employees Provident Fund Service Examination" on approval and notification of the recruitment rules for the post of Enforcement Officers/Assistant Accounts Officers/Supdts.

Training

IX.5 Training is at present imparted to the Officers/Staff of the Organisation on the following lines:--

- (a) Induction course for newly recruited LDCs;
- (b) Refresher course for Head Clerks;
- (c) In service training for Field Officers;
- (d) tailored courses for Officers conducted by Management Institutions like Indian Institute of Management, Bangalore, Indian Institute of Public Administration, New Delhi, Institute of Secretariat Training and Management, New Delhi, etc., and
- (e) Sponsoring Officers and Staff to specialised courses conducted by the Management Institutions.

Details of 53 training programmes conducted during the year involving 1047 Officers and members of the Staff of the Organisation are given below:--

Programmes	No. of Programmes Conducted	Total Number of participants
Programmes conducted by APFCs (Trg.) for		
Lower Division Clerks	7	114
Upper Division Clerks	26	430
Head Clerks	8	156
Programmes conducted by RPFCs for		
Enforcement Officers/Asstt. Accounts Officers	2	80
Programmes conducted by the Training Division of the Central Office, for		
Enforcement Officers/Asstt. Accounts Officers	2	55
Computer Appreciation Course	2	40
Tailored Training Programme for Inquiry Officers	3	74
Tailored Training Programme on Reservation in services	2	48
Specialised course	--	15
Vigilance matter for Asstts.	1	35
Total :	53	1047

Keeping in mind the importance of institutional training in the Organisation it is proposed to establish a Central training institute, one each for North Zone and South Zone at Faridabad and Koyembedu, Madras respectively. The land for the same has been acquired and construction plans are under finalisation.

IX.6 Proposals are under way to conduct special Management Development Programme for the Officers in the areas of behavioural skills, financial and administrative management and team building.

Progressive Use of Hindi

IX.7 In service training programmes for Prabodh, Parveen and Prayag courses were conducted during the year in which 259 officers and staff members were trained 45 LDCs and 12 Stenographers were trained in Hindi Typing and Stenography. 28 Hindi workshops were conducted in different Regional and Sub-Regional Offices in which 465 officers and staff members were provided training in correspondence in Hindi, issuing letters in Hindi etc. 171 officials were awarded for attainment in Hindi

noting and drafting. Cash award competitions were organised in different Regional and Sub-Regional Offices through-out the country. A lady official of S.R.O., Agra was awarded by Kendriya Sachivalaya Hindi Parishad in All India noting, drafting cash award competition. She got first Prize and Chal Vejanti prize. 30 officials of the Organisation got Atti Uttam, Uttam and Sarahniya awards at All India level.

Computerisation

IX.8 With the growth of the Organisation, the work on the accounts side has increased tremendously. It has been found that inspite of streamlining the system and the procedures, it is difficult to satisfactorily cope with the work manually. As such an agreement was entered into with CMC for preparation of feasibility study and development of a computer based accounting system for the EPF Organisation. The system specifications, and programme specifications developed by CMC were tested and found acceptable. As such the CBT, EPF decided to introduce the computer based accounting system in the Regional Office, Delhi on experimental basis. It was also decided that the data entry work would be done in the Regional Office and processing will be done by CMC on their computers on computer time hire basis. Accordingly, the site preparation was got done through CMC and 14 Data Entry Machines were installed in the EDP Cell of Regional Office, Delhi (10 machines at Nehru Place and 4 machines at Karampura Sub-Account Office). After creation of master files as on 1st April, 1985 of the covered establishments and the PF subscribers, the annual statements of accounts for 1985-86 and 1986-87 were prepared on computer besides manual preparation of the accounts for the same period. The said years accounts were compared and tallied with manually prepared accounts. It was thereafter decided to prepare the annual statements of accounts only on computer. The accounts for the year 1987-88 prepared on computer only during the year 1988-89 are partly under verification as in respect of a major portion of the accounts, this work has already been completed and the accounts issued. The weekly/monthly and quarterly reports, such as Cash Book, DCB Register, etc. for 1987-88 and 1988-89 are under preparation on computer.

IX.9 10.01 lakhs pending annual statements of accounts in respect of EPF subscribers of Beedi establishments in the SRO Mangalore were prepared on computer during the year 1988-89 through M/s Kulyadikan and Co., Mangalore and issued to the subscribers.

IX.10 2 Super PC/AT-386 with 8 terminals each and one 600 LPM Line Printer were installed in the Regional Office, Bombay with the assistance of N.I.C. for clearance of arrear of annual statements of accounts. Necessary software has been developed and the same are under testing. The system developed by CMC for the Regional Office, Delhi is not found suitable in many respects. As such an integrated system covering all the areas of work such as cash section, administration, statistical section, etc. is going to be developed by NIC for introduction in the Regional Office, Bombay. The same would be introduced in other regions also in a phased manner.

IX.11 It has been under consideration that personal computers may be installed in the Central Office for the following items of work:

- (a) Consolidation and evaluation of MIS Returns.
- (b) Monitoring of investment of E.P.F. accumulations

(c) Certain aspects of personnel administration.

(d) Monitoring of redressal of Public Grievances.

Administrative Inspections

IX.12 Central Inspection Team led by the CPFC/Addl. CPFC and RC (Inspection) carried out administrative inspections of Regional and Sub-Regional Offices periodically to ascertain whether the basic records are properly maintained and work is done according to the procedures laid down in the Accounting Manual and other instructions issued from the Ministry of Labour, Government of India and Central Provident Fund Commissioner, from time to time.

IX.13 During the year under report Regional Offices, Bombay, Patna and Sub-Regional Offices, Dehradun, Goa, Gorakhpur, Jabalpur, Meerut, Nasik were inspected by the Central Inspection Team under the supervision of C.P.F.C./RC (Inspection) and the deficiencies observed were brought to the notice of concerned Regional Commissioner/Officer-in-Charge of Sub-Regional Offices for rectification.

Vigilance

IX.14 During the year 1988-89, the Vigilance Section continued its efforts to identify areas prone to corruption in the E.P.F. Organisation. To achieve this objective, possible points in this behalf were located and remedial steps taken keeping in view observations of studies conducted in the past and during the year 1988-89 on delay in processing various types of claims. Regular surprise visits to various Regional and Sub-Regional Offices from preventive vigilance angle were made at different levels. Further, various disciplinary actions as well as punitive measures were taken as a deterrent against involvement in corrupt practices and to minimise misdemeanour.

IX.15 During the year under report i.e. 1988-89, 147 complaints from vigilance angle were received of which 80 were taken up for investigation and in 98 cases investigation were completed. In 43 cases, disciplinary proceedings were initiated during 1988-89. Disciplinary proceedings were finalised in 76 cases with the imposition of major or minor penalties. This apart, progress of disciplinary cases were regularly watched by obtaining particulars in Monthly Statements from all concerned disciplinary authorities. Further, cases of suspect employees allegedly involved in corrupt practices like bribery, illegal gratification, etc., were followed up to expedite action.

Redressal of Grievances of Subscribers

IX.16 The E.P.F. Organisation is conscious of its responsibility towards subscribers to ensure prompt attention to the grievances of the members. The system of hearing the grievances of the aggrieved subscribers has been in vogue at the Central and the Regional and sub-Regional Offices of the Organisation. Public Relations Officers have been posted at the Head quarters of all the Regional/sub-Regional Offices to assist the aggrieved subscribers in getting their grievances removed. The figures of grievances received and disposed of in various offices of the Organisation including

Central Office during the year 1988-89 are as under :--

No. of grievances pending as on 31-3-1988	6966
Grievances received during the year 1988-89	159530
Total :	166496
Grievances disposed of during 1988-89	162144
Balance pending	4352

IX.17 To redress the grievances/complaints of the subscribers a complaints Wing consisting of 3 Sections continued to function in the Central Office, particularly to help the subscribers, who cannot approach the authorities in person. This wing received complaints during the year 1988-89 pertaining to delays in settlement of claims, sanction of advances, transfer of accounts and issue of annual statements of accounts.

The position of complaints received, settled and pending at the level of Central Office is given below :--

(a) Number of complaints for settlement received during 1988-89	4631
(b) Number of complaints redressed	2001
(c) Complaints pending for disposal as on 31-3-1989	2630

Administrative Account

IX.18 The receipts and payments of Administration Account for the year 1988-89 relating to three Schemes framed under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 is in Table III below :--

TABLE III : Receipts and payments of Administration Account under Employees' Provident Fund, Family Pension Fund and Employees' Deposit Linked Insurance Schemes

	(figures in lakhs of rupees)			
	E.P.F. and F.P.F.		E.D.L.I.	
	1987-88	1988-89	1987-88	1988-89
1.				
(a) Administrative charges, Inspection charges and Penal damages	4616.05	5435.21	795.87	462.80
(b) Interest on investments	126.61	111.19	497.62	1183.19
(c) Contribution of Government towards Administrative expenses	--	\$730.00	200.00	*--
(d) Receipts from other accounts	(-)75.61	55.41	31.57	12.32
(e) Misc. receipts	125.15	143.23	--	--
Total :	4792.20	6475.04	1525.06	1658.31

* A sum of Rs. 150.00 lakhs received in April, 1989.

\$ Rs. 310 lakhs for the year 1987-88 received in April, 1988.
Rs. 420 lakhs for the year 1988-89.
Rs. 730 lakhs

(figures in lakhs of rupees)

	E.P.F. and F.P.F.		E.D.L.I.	
	1987-88	1988-89	1987-88	1988-89
2.				
(a) Revenue expenditure	3857.71	4303.97	114.27	111.59
(b) Capital expenditure	500.00	500.00	3.11	3.77
(c) Building maintenance Fund	9.97	0.44	--	--
(d) Payment to other accounts	507.08	502.71	6.71	44.05
Total :	4874.76	5306.12	124.09	159.41
Excess of receipts/payments over payments/receipts	(-) 82.56	(+) 1168.92	(+) 1400.97	(+) 1498.90

IX.19 An analysis of Table III given above reveals that there was a surplus of Rs. 11.69 crores under the E.P.F. and F.P.F. Schemes and Rs. 14.99 crores under the Employees' Deposit Linked Insurance Scheme during the year 1988-89.

IX.20 In case of Provident Fund and Family Pension Schemes, the revenue receipts in the form of Administrative Inspection Charges and Penal Damages increased by 35.12% as against revenue payments (including repairs and maintenance of office buildings) by 8.85% over the preceeding year.

Publicity measures

IX.21 To create awareness amongst the workers about the benefits provided to them and their dependents under the Employees' Provident Fund and Miscellaneous Provisions Act, 1952 and the three Schemes framed under it, a publicity campaign was launched with the co-operation of Directorate of Advertising and Visual Publicity during the year 1988-89. The following publicity media were used.

Publicity through Radio

IX.22 30 second message on Employees' Family Pension and Employees' Deposit Linked Insurance Schemes for workers was broadcast over all the channels of Akashwani in Hindi/Regional languages of the concerned States from 1st March, 1989 to 15th March, 1989 continuously for fifteen days.

IX.23 Publicity through Newspapers

Insertions on Employees' Provident Fund, Employees' Family Pension and Employees' Deposit Linked Insurance Schemes for the workers were released in Hindi/English and regional languages newspapers of countrywide circulation. The insertions were released in 43 newspapers in December, 1988 and in 45 newspapers in January, 1989.

IX.24 Publicity through Paper-Posters

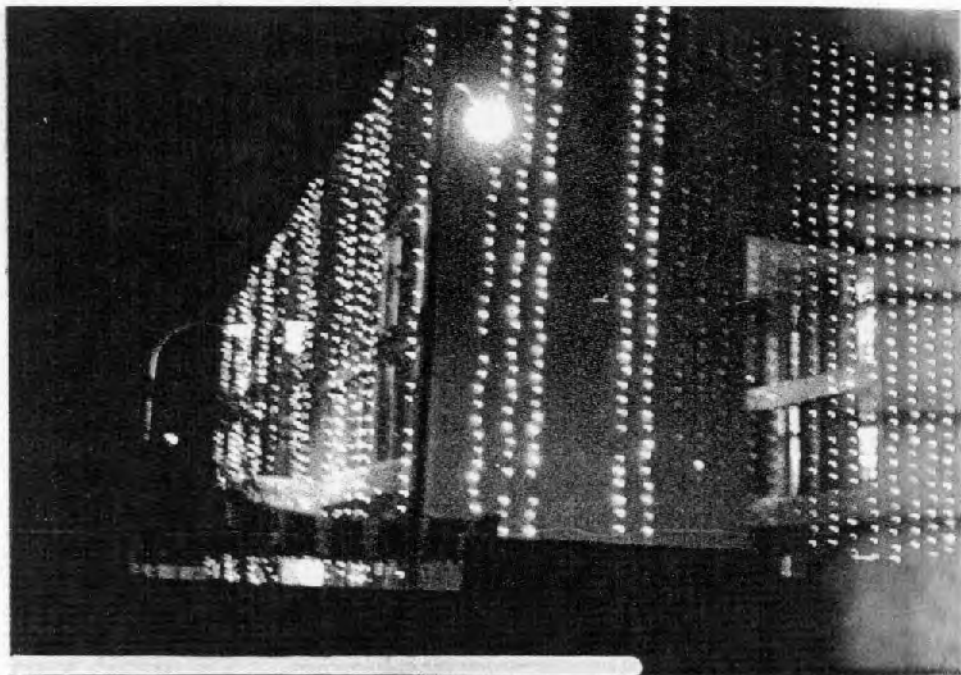
Posters highlighting the benefits under the Employees' Provident Fund, Employees' Family Pension and Employees' Deposit Linked Insurance Schemes numbering 35,000



Central Provident Fund Commissioner received by Employees' Provident Fund Staff Union on his arrival at Cuddapah.



Inauguration of Cuddapah Sub-Regional Office building in presence of Mrs. Tejdeep Pratihast, IPS, Supdt. of Police and Mr. C. S. Reddy, Regional Provident Fund Commissioner-incharge Andhra Pradesh Region.



Majestic light decoration of Vizag Sub-Regional Office Building on the day of its inauguration by Central Provident Fund Commissioner.



Staff of Sub-Regional Office Vizag decorating the office premises on the occasion of its inauguration.

were got printed in Hindi/English and regional languages through Directorate of Advertising and Visual Publicity and sent to Regional Provident Fund Commissioners for distribution amongst factories and establishments by the Directorate of Advertising and Visual Publicity.

IX.25 Publicity through Pamphlets/Brochures

Pamphlets/Brochures highlighting the benefits on Employees' Family Pension and Employees' Deposit Linked Insurance Schemes numbering 72,000 and 36,000 of each of the Scheme in Hindi and regional languages were got issued through the Directorate of Advertising and Visual Publicity and distributed amongst the workers through the Regional Provident Fund Commissioners.

IX.26 Publicity through TV programme/Radio Talk

Regional Provident Fund Commissioners were advised to contact the Station Directors of All India Radio/Doordarshan Kendras of their respective regions and to give programme/talk over Doordarshan/Aakashvani on Employees' Provident Fund about the salient features of the Act and the Schemes, the benefits provided to the workers under the Schemes and to apprise the employers of the covered establishments about their obligations under the Act and the Schemes. From the feed back received from the Regional Provident Fund Commissioners, it is seen that the Regional Provident Fund Commissioners Delhi, Gujarat and Punjab talked on television on 25th February, 1989, 8th February, 1989 and 24th January, 1989 about the benefits provided to the workers and the obligations of the employers of the covered establishments under the Act and the Schemes. The Regional Provident Fund Commissioner, Andhra Pradesh, Delhi, Haryana and Karnataka gave talk on Employees' Provident Fund over radio on 19th December, 1988/9th January, 1989, 22nd December, 1988, 11th February, 1989 and 15th December, 1988. A radio talk on salient features and benefits available to the Provident Fund members was arranged by Regional Provident Fund Commissioner, Kerala on 2nd May, 1989.

IX.27 Office Buildings

The Welfare of the staff being one of the essential ingredients for efficient functioning of the Organisation, it is our constant endeavour to provide better amenities and working atmosphere to the staff members. To improve working environments during the last 23 years, it has undertaken programmes for construction of office buildings for the Regional and Sub-Regional Offices as also staff quarters for its employees in a phased manner. As on date, ten Regional Offices are housed in departmental buildings in Bombay, Hyderabad, Bangalore, Trivandrum, Bhubaneswar, Chandigarh, Jaipur, Kanpur, Ahmedabad and Madras and the four Sub-Regional offices at Amritsar, Madurai, Cuddapah and Coimbatore are also in departmental buildings. Ready-built office accommodation for Sub-Regional Office at Simla and Regional Office at Indore have been finalised. While payment has been made in full for Indore building, instalmental payment is being made towards the cost at Shimla. The construction work of office buildings at Patna, Cochin, Nagpur, Vishakapatnam and Faridabad is in progress. Land for construction of office building has also been purchased at Varanasi, Kota, Hubli, Ludhiana, Guntur, Agartala, Goa, Karnal, Rourkela, Gauhati, Manglore, Meerut and Delhi. Additional construction of office accommodation at Bombay is also being considered and plans are awaited from C.P.W.D.

IX.28 Housing Accommodation

In pursuit of its objective to provide staff quarters to its employees, the Organisation has constructed a total number of 1236 staff quarters in Hyderabad, Delhi, Trivandrum, Bombay, Bhubaneshwar, Chandigarh, Madras, Jaipur, Kanpur, Faridabad and Madurai. In addition to this, the construction work is nearing completion at Indore, Calcutta and Vishakhapatnam. At Kota, Calicut and Amritsar, this work is in progress. Land has also been purchased for staff quarters at Cochin, Hubli, Meerut, Coimbatore, Rourkela, Cuddapah, Ludhiana, Mangalore and Guwahati. In case of Bombay and Madras land is available for construction of additional quarters.

In addition to above, we have also taken up the task of constructing two training institutes at Madras and Faridabad. Estimates in respect of training institutes at Madras and Faridabad are awaited from C.P.W.D.

IX.29 Sports

The Central Board of Trustees in its 100th meeting held on 28th July, 1984 approved the formation of a Central Sports Control Board at the headquarters office and Regional Sports Control Boards in the Regional offices of the Organisation.

In the beginning of 1989, cricket matches were organised in the Organisation on zonal basis, the semi-finals and finals of which were held at Hyderabad from 20th February, 1989 to 23rd February, 1989. The team representing Karnataka region beat the team from Maharashtra region in the final and emerged as champion.

The 6th All India Sports and Athletics Meet of the Organisation was held at Indore on 2nd and 3rd March, 1989. Shri Chandra Kumar Bhanot, Hon'ble State Minister, Shram & Janshakti Niyojan, Madhya Pradesh, inaugurated the Meet.

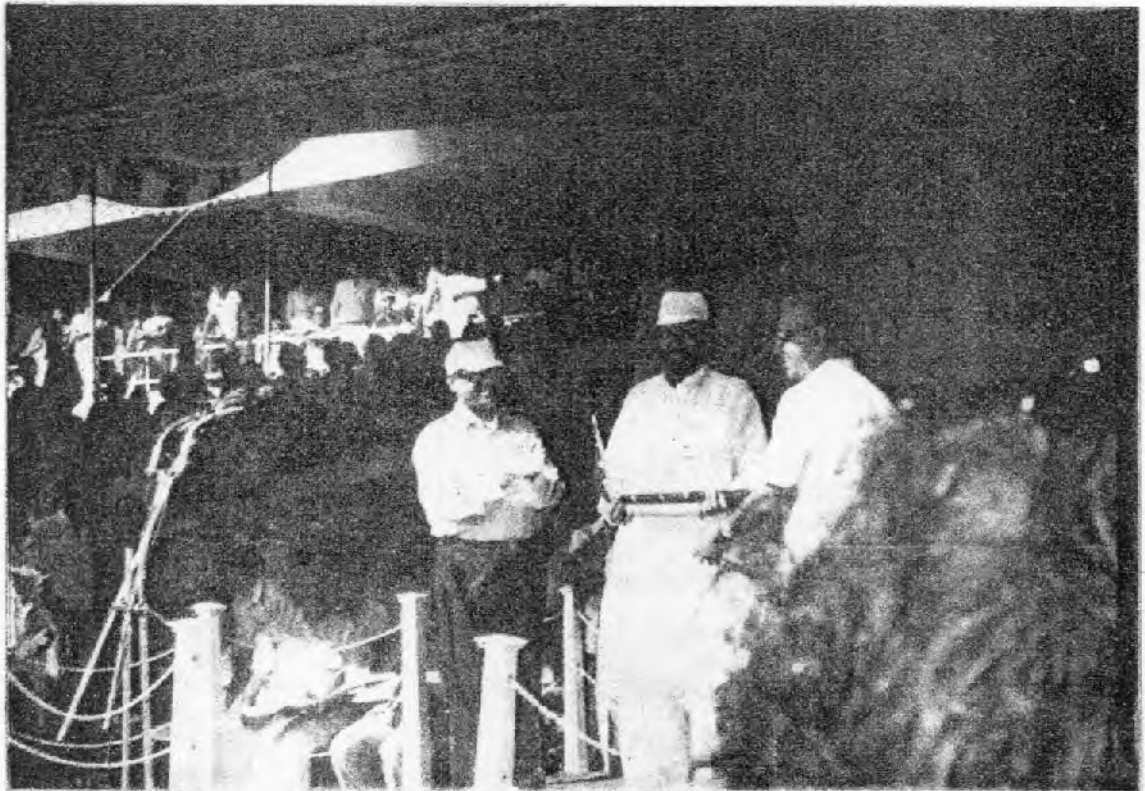
During the Meet, each athletics and Sports event was keenly contested by the participants from different offices of the Organisation. Karnataka region won the team championship.

IX.30 Canteens

The departmental canteens on subsidised basis have been set up in the Regional Offices, Andhra Pradesh, Gujarat, Karnataka, Kerala, Maharashtra, Orissa, Rajasthan, Tamilnadu, Uttar Pradesh and West Bengal. A grant to the extent of Rs. 14.62 lakhs was authorised during the year under report in the shape of subsidy as standard minimum provision of departmental assistance to canteens, interest free loan upto Rs. 5,000 per canteen and grant of uniform and repair of equipments.

IX.31 Holiday Homes

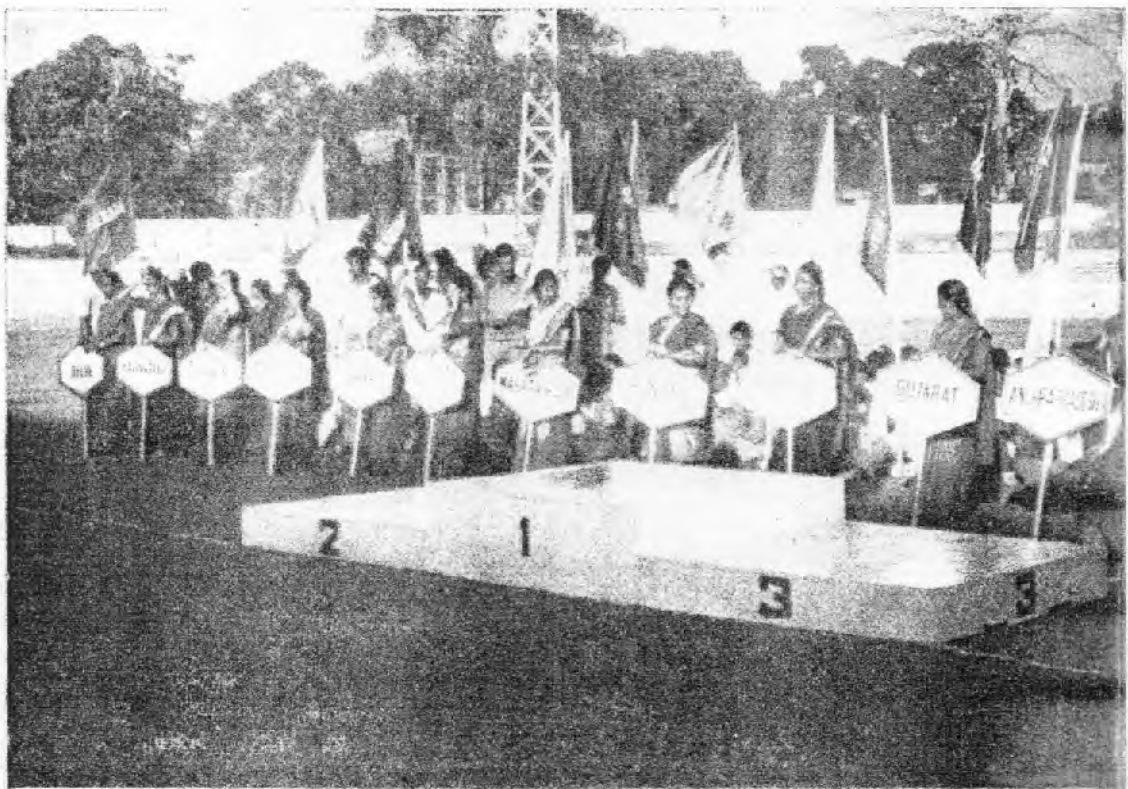
Employees' Provident Fund Organisation has holiday homes at Shimla (Himachal Pradesh) and Panaji (Goa) for use by the officials of the E.P.F. Organisation. These holiday homes have proved to be a peaceful and enjoyable resort for the employees during their holidays.



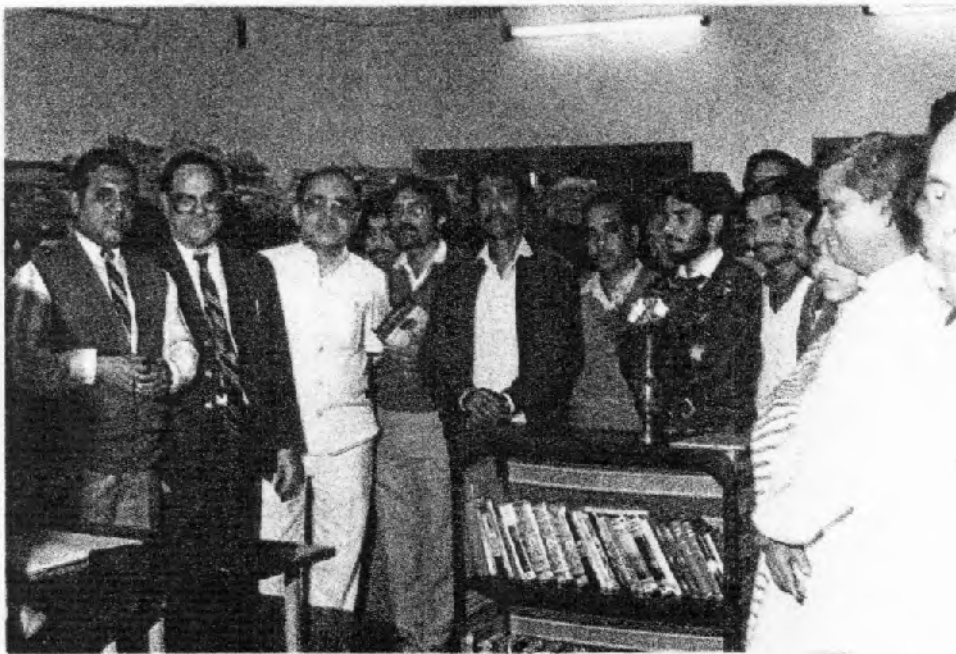
Inauguration of VII All India Employees' Provident Fund Sports and Athletic meet at Trivandrum by Shri Ram Vilas Paswan, Hon'ble Minister for Labour and Welfare (Govt. of India).



Prize Distribution ceremony on the occasion of VII All India Employees' Provident Sports and Athletic meet at Trivendrum by Shri K. Pankajakshan, Hon'ble Minister for Labour (Govt. of Kerala).



VII All India Employees' Provident Fund Sports and Athletic meet held at Trivendrum.



Photograph taken on the occasion of a library opened at the own initiative by staff of sub-Regional office Jalpaiguri, opened by Central Provident Fund Commissioner on 2nd January, 1990 in presence of Shri A. K. Mukhopadhyaya, Regional Provident Fund Commissioner in-charge, West Bengal and Shri G. N. Rao, Regional Provident Fund Commissioner, Jalpaiguri.





A grand cultural evening organised by staff of Central office and Delhi Regional office at I.F.A.Cs. Auditorium on 25th November, 1989.



Central Provident Commissioner giving away the Prizes on the eve of cultural evening organised at I.F.A.Cs. Auditorium on 25th November, 1989.



Indonesian delegation on a visit to Employees' Provident Fund Organisation




IX.32 Other Welfare measures

A grant of Rs. 2.67 lakhs on matching basis was given to the Staff Recreation Clubs at Central Office and Regional Offices during the year for purchase of books, magazines and other equipments to promote the interest in sports and other cultural activities.

IX.33 Participation of Officials in ILO/ISSA conference/meeting and other Foreign Assignment

On the invitation from ISSA, Geneva, Shri Vinod Lal, the then Central Provident Fund Commissioner, attended the meeting of the three permanent committees of ISSA, on 30th and 31st May, 1988 at Wurzburg (West Germany).



B. N. SOM,
Secretary, Central Board of Trustees &
Central Provident Fund Commissioner.

**List of the members of the Central Board of Trustees Employees' Provident Fund
as on 31st March, 1989**

Chairman

1. Shri Bindeshwari Dubey,
Minister of Labour,
Government of India,
New Delhi-110 001.

Members

2. Shri Badal Roy,
Secretary,
Ministry of Labour,
Government of India,
New Delhi-1.
3. Shri K. C. Sharma,
Additional Secretary,
Ministry of Labour,
Government of India,
New Delhi-1.
4. Shri D. K. Singh,
Financial Adviser,
Ministry of Labour,
Government of India,
Room No. 161, North Block,
New Delhi-110 001.
5. Shri V. Balasubramanian,
Director (Budget),
Ministry of Finance,
Department of Economic Affairs,
New Delhi-110 001.
6. Smt. Kusum Prasad,
Director General,
Employees' State Insurance Corpn.,
New Delhi-110 002.
7. Shri J. S. Sarma, I.A.S.,
Secretary to the
Government of Andhra Pradesh,
Labour Department,
Hyderabad-500 004.
8. Shri G. C. Khound,
Secretary to the
Government of Assam,
Labour Department,
Dispur (Gauhati).

9. Shri A. R. Bandyopadhyay,
Secretary to the
Government of Bihar,
Department of Labour and
Employment, Patna.
10. Shri T. R. Agnani, I.A.S.,
Secretary to the
Government of Gujarat,
Labour Department, Sachivalaya,
Gandhi Nagar, Ahmedabad.
11. Smt. Meenaxi Anand Chaudhry,
Commissioner and Secretary to
the Government of Haryana,
Labour & Employment Department,
Chandigarh.
12. Shri R. Shankarappa,
Secretary to the
Government of Karnataka,
Social Welfare & Labour Deptt.,
M.S. Building, III stage,
Dr. B.R. Ambedkar, Veedhi,
Bangalore-560 001.
13. Shri C.P. Nair,
Secretary to the
Government of Kerala,
Labour Department,
Trivandrum.
14. Shri K. D Saksena,
Secretary to the
Government of Madhya Pradesh,
Labour Department,
Bhopal.
15. Shri K. S. Baroi,
Secretary to the
Government of Maharashtra,
Industries, Labour and
Energy Department,
Bombay-400 032.
16. Shri Kalyan Ray,
Secretary to the
Government of Orissa,
Labour Department,
Bhubaneshwar.

17. Shri R. S. Mann,
Secretary to the Government of
Punjab,
Labour & Employment Department,
Chandigarh.
18. Shri R. Sontake,
Commissioner and Secretary to the
Government of Rajasthan,
Labour Department,
Jaipur.
19. Shri J. T. Acharyulu,
Secretary to the
Government of Tamil Nadu,
Labour & Employment Department,
Madras-600 009
20. Shri Brijesh Kumar,
Commissioner and Secretary to
the Government of Uttar Pradesh,
Labour Department,
Lucknow.
21. Shri Dipak Ghosh,
Secretary to the Government of
West Bengal,
Labour Department,
Calcutta.
22. Shri Waris R. Kidwai,
Secretary General SCOPE,
7, "SCOPE COMPLEX" opposite
Pragati Vihar, Lodhi Road,
New Delhi-110 003.
23. Shri D. P. Chakravarti,
Shri Annapurna Cotton Mills and
Industries Limited, P-10, New
Howrah Bridge Approach Road,
Calcutta-700 001.
24. Shri V. B. Mahatme,
Secretary, Employees
Federation of India,
Army & Navy Building,
148-Mahatma Gandhi Road,
Bombay-400 023.
25. Shri R. C. Pande,
Secretary, All India
Organisation of Employers,
Federation House, Tansen Marg,
New Delhi-110 001.
26. Shri P. B. Duggal,
President, Federation of
Association of Small Industries,
of India, Laghoodyog Kutte,
23-B/2, Guru Govind Singh Marg,
New Delhi-5.
27. Dr. I. P. Poddar,
Managing Director,
Calcutta Silk Mfg. Co. Ltd.,
"Commercial House" 135-A,
Biplabi Rashbehari Basu Road,
Calcutta-700 001.
28. Shri Parduman Singh,
Punjab State Committee of AITUC,
Ekta Bhawan, Putlighar,
Amritsar.
29. Shri A. Venkataram,
Bharatiya Mazdoor Sangh,
Subedar Chet Ram Road,
Bangalore-560 009.
30. Shri Kisan Tulpule,
President, Mill Mazdoor Sabha,
Shram Sadhan, Hindu Colony,
1st Lane, D.V. Pradhan Road,
Dadar, Bombay-400 014.
31. Shri Haribhau Naik,
Secretary, I.N.T.U.C.,
C/o Rashtriya Mill Mazdoor Sangh,
G.D Ambedkar Marg, Perel,
Bombay-400 012.
32. Shri Lal Bhadur Singh,
Joint General Secretary,
INTUC, Bengal Branch,
177/B, Acharya Jagdish Bose Road,
Calcutta-700 014.
33. Shri Balwantrai Kapoor,
President, INTUC,
Punjab Branch,
852/9, Gate Khazana,
Amritsar.

APPENDIX S-1

PART-I

Percentage-wise Investment Holding as on 31-3-1989, E.P.F. (Main Account) Face Value

(Rs. in lakhs)

Category	5½%	5½%	5½%	6%	6½%	6½%	6¾%	7%	7½%	7½%	7¾%	8%	8½%	8½%	8½%
Central Loan	119.94	3817.62	25606.51	186.08	21.60	5515.09	102.84	91.65	--	2789.86	--	69.72	--	--	0.78
State Govt. Sec.															
Andhra Pradesh						524.06	403.68	1225.60					72.08		
Assam						237.20	227.53	150.00							
Bihar						412.86	274.21	555.00							
Gujarat						390.10	762.74	2.77		4.31					
Haryana						122.50	368.92	450.00							
Himachal Pradesh						22.38	16.00	--							
J & K						33.75	29.15	--							
Karnataka						94.30	371.85	125.00		0.08					
Kerala						519.00	435.00	740.00							
Madhya Pradesh						184.35	155.40	250.25							
Maharashtra						210.23	538.29	108.13		1.52					3.12
Manipur						62.50	80.00	10.00							
Meghalaya						5.00	6.00	--							
Nagaland						35.00	140.00	140.00							
Orissa						170.25	208.73	480.00					622.08		
Punjab						144.65	34.59	--							
Rajasthan						537.05	1043.60	345.15		2.30					
Tamil Nadu						613.13	884.97	402.33		0.49					0.54
Tripura						78.00	76.90	--							
Uttar Pradesh						582.07	1501.57	1186.74		0.96			697.08		
West Bengal						132.10	629.38	100.00		0.11					
P.O.T.D.															
S.D.S.															
Govt. Guatd. Sec.															
Total Holding as per R.B.I.	119.94	3817.62	25606.51	186.08	21.60	10625.57	8291.35	6362.62	--	2799.63	--	69.72	1391.24	--	4.44

Govt. Guatd.
Sec.

Total Holding as per R.B.I.	119.94	3817.62	25606.51	186.08	21.60	10625.57	8291.35	6362.62	--	2799.63	--	69.72	1391.24	--	4.44
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Percentage-wise Investment Holding as on 31-3-1989 E.P.F. (Main Account) Face Value

PART II

(Rs. in lakhs)

Category	9%	9½%	9½%	9½%	10%	10½%	10½%	10.8%	11%	11½%	Total	Grand total
Central Loan	35.71	15.59	920.39	--	9773.70	1960.19	7959.99	1327.36	--	13311.28	73625.90	73625.90
State Govt. Sec.												
Andhra Pradesh	450.02			200.00					250.00		3125.44	
Assam											614.73	
Bihar	100.00								200.00		1542.07	
Gujarat	0.12										1160.04	
Haryana	50.00										991.42	
Himachal Pradesh											38.38	
J & K											62.90	
Karnataka	100.00								200.00		891.23	
Kerala	100.00			200.00					150.00		2144.00	
Madhya Pradesh	100.00										690.00	
Maharashtra	3.04			1.13					0.32		865.78	
Manipur											152.50	
Meghalaya											11.00	
Nagaland	150.00										465.00	
Orissa	400.00								50.00		1931.06	
Punjab											179.24	
Rajasthan	100.00			275.43					.25		2303.78	
Tamil Nadu	50.37			0.20					50.00		2002.03	
Tripura									150.00		304.90	
Uttar Pradesh	200.00								342.20		4510.62	
West Bengal	100.00								50.00		1011.59	24997.71
P.O.T.D.												97836.36
S.D.S.												687517.59
Govt. Guatd. Sec.												37680.09
Total Holding as per R.B.I.	1939.26	15.59	920.39	676.76	9773.70	1960.19	7959.99	1327.36	1442.77	13311.28		921657.65

Advices due but not received

(-) 13.00

Investment holdings as per E.P.F. Organisation

921644.65

APPENDIX S-2

Region-wise distribution of Establishments & Subscribers as on 31-3-1989

Region	No. of Establishments			No. of Subscribers		
	Exempted	Un-exempted	Total	Exempted	Un-exempted	Total
Andhra Pradesh	109	15528	15637	221874	771537	993411
N.E. Region	35	1827	1862	47799	133561	181360
Bihar	207	5650	5857	311245	249708	560953
Delhi	194	10345	10539	312308	398977	711285
Gujarat	84	17305	17389	240060	617263	857323
Haryana	21	4315	4336	30520	301134	331654
Karnataka	126	11763	11889	253915	773928	1027843
Kerala	73	11177	11250	57005	631187	688192
Madhya Pradesh	37	6000	6037	175188	476080	651268
Maharashtra	428	24886	25314	760891	1471626	2232517
Orissa	40	3871	3911	90688	337116	427804
Punjab	29	7277	7306	46861	468195	515056
Rajasthan	46	4052	4098	144875	213236	358111
Tamil Nadu	453	19974	20427	400282	1417498	1817780
Uttar Pradesh	162	13341	13503	220269	797116	1017385
West Bengal	838	21450	22288	885652	1040438	1926090
TOTAL	2882	178761	181643	4199432	10098600	14298032
	(2830)	(167595)	(170425)	(4179449)	(9659920)	(13839369)

Penal Damages against P.F. contribution as on 31-3-1989 (Arrear)

APPENDIX S-3

(Rs. in lakhs)

Region	Amount Pending as on 31-3-88	Levied during the year 1988-89	Realized during the year 1988-89	Balance as on 31-3-89
Andhra Pradesh	67.54	30.22	0.13	97.63
N.E. Region	15.18	1.45	0.44	16.19
Bihar	73.64	19.82	2.57	90.89
Delhi	82.98	14.09	6.91	90.16
Gujarat	162.66	21.15	11.70	172.11
Haryana	79.06	8.48	2.56	84.98
Karnataka	56.12	44.53	5.50	95.15
Kerala	65.94	38.25	4.95	99.24
Madhya Pradesh	363.53	10.46	10.81	363.18
Maharashtra	1153.63	148.46	27.95	1274.14
Orissa	248.38	12.67	5.67	255.38
Punjab	39.27	7.35	2.61	44.01
Rajasthan	148.51	14.31	2.09	160.73
Tamil Nadu	332.02	34.46	13.64	352.84
Uttar Pradesh	200.57	17.29	0.81	217.05
West Bengal	908.53	39.80	6.13	942.20
Total	3997.56	462.79	104.47	4355.88

Region-wise break-up of Prosecution cases under Section 14 of the Act against the defaulting Employers' for non-payment of Provident Fund contributions

Region	Pending as on 31-3-88	Launched during the year	Total (1+2)	Cases decided during the year					Pending as on 31-3-89 (Col. 3--8)	Break up of Pending cases					Total
				Convi-cted	Acquit- ted/ admo- nished	with- drawn	Dis- missed/ Dis- charged	Total (4+5+ 6+7)		Less than 6 months	6 Mon- ths to 1 year	From 1 to 2 year	From 2 to 3 years	More than 3 years	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
A.P.	499	882	1381	168	42	5	--	215	1166	386	233	75	191	281	1166
N.E.R	411	222	633	18	--	--	--	18	615	77	143	162	114	119	615
Bihar	6128	440	6568	--	--	--	--	--	6568	236	204	1306	2047	2775	6568
Delhi	540	75	615	5	61	3	--	69	546	59	16	184	104	183	546
Gujarat	1164	51	1215	152	--	--	--	152	1063	42	9	533	374	105	1063
Haryana	1233	362	1595	104	8	--	--	112	1483	272	90	550	271	300	1483
KN.	2155	549	2704	167	7	66	61	301	2403	359	190	669	647	528	2403
KR.	279	100	379	31	--	--	--	31	348	72	27	100	149	--	348
M.P.	1196	41	1237	16	--	--	--	16	1221	13	25	57	130	996	1221
MH.	6190	1043	7233	273	9	19	--	301	6932	500	535	839	828	4230	6932
OR.	1225	15	1240	--	16	--	--	16	1224	10	5	171	560	478	1224
PB.	424	65	489	46	--	--	--	46	443	45	20	110	17	251	443
RJ.	217	44	261	1	--	--	--	1	260	21	20	75	15	129	260
T.N.	1448	197	1645	140	--	--	--	140	1505	90	107	285	70	953	1505
U.P.	2031	92	2123	--	--	--	--	--	2123	34	58	1015	793	223	2123
W.B.	23288	2361	25649	1001	--	31	15	1047	24602	1300	1061	12832	5637	3772	24602
Total	48428	6539	54967	2122	143	124	76	2465	52502	3516	2743	18963	11947	15333	52502

Region-wise data of prosecution cases under Section 406/409 of I.P.C. before the police authorities during the year 1988-89

(Part I)

Region	FIR's pending with the police as on 31-3-1988	FIR's filed with police during the year	FIR's dropped by police during the year	Challans filed by police in court during the year	FIR's pending with police during the year (1+2--3+4)	Pendency Analysis		
						for last 6 months	6 months to 1 year	More than 1 year
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
A. Pradesh	90	70	--	--	160	29	39	92
N.E. Region (R)	21	4	--	25	--	--	--	--
Bihar	80	6	--	--	86	5	1	80
Delhi	104	11	--	--	115	--	11	104
Gujarat	83	5	--	--	88	--	5	83
Haryana	227	25	--	--	252	10	15	227
Karnataka	150	17	24	7	136	8	7	121
Kerala	74	62	3	1	132	31	31	70
M. Pradesh	120	9	--	--	129	8	1	120
Maharashtra	1262	301	--	52	1511	225	66	1220
Orissa	65	1	--	7	59	--	1	58
Punjab	20	5	--	1	24	5	--	19
Rajasthan	50	6	1	--	55	3	3	49
Tamil Nadu	205	93	--	--	298	49	44	205
U. Pradesh	144	9	--	--	153	2	7	144
West Bengal	2826	146	--	4	2968	70	76	2822
Total	5521	770	28	97	6166	445	307	5414

(R)--Revised

APPENDIX S-5

Region-wise data of Prosecution cases under Section 406/409 of I.P.C. before various Courts during the year 1988-89

(Part II)

Region	Prosecution cases pending with Courts as on 31-3-88	Prosecution cases filed during the year			Prosecution cases decided during the year				Pending cases in courts at the end of the year (Col.12-16)	Pendency Analysis		
		Challans filed by the police as in Col.4	Complaints filed direct in courts	Total	Convicted	Acquitted	Dismissed/ Discharged	Total		For last Six months	six months to 1 year	More than 1 year
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
A. Pradesh	--	--	--	--	--	--	--	--	--	--	--	--
N.E. Region	--	25	--	25	--	--	--	--	25	15	10	--
Bihar	--	--	--	--	--	--	--	--	--	--	--	--
Delhi	--	--	--	--	--	--	--	--	--	--	--	--
Gujarat	46	--	--	46	--	--	1	1	45	--	--	45
Haryana	--	--	--	--	--	--	--	--	--	--	--	--
Karnataka	33	7	--	40	--	1	--	1	39	5	2	32
Kerala	5	1	--	6	--	--	--	--	6	--	1	5
M. Pradesh	--	--	--	--	--	--	--	--	--	--	--	--
Maharashtra	169	52	2	223	18	--	1	19	204	19	35	150
Orissa	67	7	--	74	--	--	--	--	74	5	--	67
Punjab	1	1	--	2	--	--	--	--	2	--	1	1
Rajasthan	13	--	--	13	--	--	--	--	13	--	--	13
T. Nadu	21	--	--	21	--	--	--	--	21	--	--	21
U. Pradesh	3	--	--	3	--	--	--	--	3	--	--	3
West Bengal	14	4	9	27	--	--	--	--	27	11	2	14
Total	372	97	11	480	18	1	2	21	459	55	53	351

APPENDIX S-6

Statement showing the Region-wise position of final settlement of
Provident Fund claims during the year 1988-89

Region	Claims pending as on 31-3-88	Claims received during the year	Total	Claims returned/ rejected during the year	Claims due for settlement during the year	Claims settled during the year	Claims settled within 20 days	Claims settled beyond 20 days	Pending as on 31-3-89	Amount authorised for pay- ment during the year (Rs. in lakhs)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
A. Pradesh	6387	41773	48160	6532	41628	38457	12450	26007	3171	2058.00
N.E. Region	1035	5057	6092	496	5596	4258	1852	2406	1338	255.90
Bihar	1813	9600	11413	1594	9819	8809	2206	6603	1010	778.10
Delhi	611	32260	32871	1699	31172	30609	19233	11376	563	1672.38
Gujarat	6618	72120	78738	15632	63106	58747	24067	34680	4359	5379.34
Haryana	1357	19521	20878	3715	17163	16126	9262	6864	1037	996.69
Karnataka	4005	86686	90691	6997	83694	80360	53014	27346	3334	2449.40
Kerala	1957	29963	31920	5847	26073	23726	14214	9512	2347	1916.81
M. Pradesh	1048	21907	22955	3942	19013	15613	12560	3053	3400	1241.24
Maharashtra	9865	132368	142233	22544	119689	109390	48311	61079	10299	15444.70
Orissa	1401	9999	11400	1615	9785	7461	1999	5462	2324	752.78
Punjab	3097	38354	41451	8656	32795	30299	10583	19716	2496	1271.78
Rajasthan	541	15735	16276	1710	14566	13852	5977	7875	714	929.88
T. Nadu	6174	100507	106681	18747	87934	80238	49223	31015	7696	5981.12
U. Pradesh	4414	29398	33812	4823	28989	24980	9072	15908	4009	2183.34
W. Bengal	8002	46902	54904	10295	44609	38435	27720	10715	6174	3871.07
Total	58325	692150	750475	114844	635631	581360	301743	279617	54271	47182.53

APPENDIX S-7

Provident Fund claims pending according to Time Interval as on 31-3-1989

Region	Between 0--2 months	Between 2--6 months	Between 6 months to one year	More than one year	Total
Andhra Pradesh	2970	197	--	4	3171
N.E. Region	804	534	--	--	1338
Bihar	815	195	--	--	1010
Delhi	563	--	--	--	563
Gujarat	4087	272	--	--	4359
Haryana	876	161	--	--	1037
Karnataka	3334	--	--	--	3334
Kerala	2020	327	--	--	2347
Madhya Pradesh	3130	270	--	--	3400
Maharashtra	9155	1144	--	--	10299
Orissa	697	1574	53	--	2324
Punjab	1872	594	29	1	2496
Rajasthan	464	245	5	--	714
Tamil Nadu	7693	3	--	--	7696
Uttar Pradesh	1987	1856	166	--	4009
West Bengal	3472	2702	--	--	6174
Total	43939	10074	253	5	54271
% to total	81.0	18.6	0.4	--	100

Region-wise details of Transfer cases pending as on 31-3-1989

Region	Less than one month	1--3 months	3--6 months	6--9 months	9--12 months	Over one year	Total
Andhra Pradesh	688	349	55	--	--	--	1092
N.E. Region	62	200	176	--	--	--	438
Bihar	269	60	11	--	--	--	340
Delhi	446	185	--	--	--	--	631
Gujarat	1302	771	--	--	--	--	2073
Haryana	549	266	--	--	--	--	815
Karnataka	790	609	114	--	--	--	1513
Kerala	359	470	58	37	--	--	924
Madhya Pradesh	1082	609	--	--	--	--	1691
Maharashtra	1981	935	426	4	--	--	3346
Orissa	856	1644	1361	361	20	--	4242
Punjab	203	211	94	13	--	--	521
Rajasthan	165	373	106	1	1	--	646
Tamil Nadu	2474	370	190	26	1	--	3061
Uttar Pradesh	2373	1786	1602	63	--	31	5855
West Bengal	1823	662	195	--	--	--	2680
Total	15422	9500	4388	505	22	31	29868
% to total	51.8	31.8	14.7	1.7	0.1	0.1	100.00

APPENDIX S-9
(PART-I)

Statement showing the region-wise position of non-refundable advances sanctioned during the year 1988-89

Region	Opening balance	Applications received during the year.	Total (Number)	Applications returned for rectification during the year	Applications due for sanction during the year.
Andhra Pradesh	2091	41466	43557	6959	36598
N.E. Region	766	3358	4124	244	3880
Bihar	277	5785	6062	479	5583
Delhi	60	3774	3834	251	3583
Gujarat	1226	31195	32421	6146	26275
Haryana	254	7348	7602	1000	6602
Karnataka	1000	38169	39169	7700	31469
Kerala	2263	49117	51380	7784	43596
Madhya Pradesh	523	17058	17581	3197	14384
Maharashtra	2424	38283	40707	7792	32915
Orissa	656	16525	17181	2059	15122
Punjab	290	9548	9838	2307	7531
Rajasthan	173	9643	9816	855	8961
Tamil Nadu	4613	86279	90892	15146	75746
Uttar Pradesh	1762	22778	24540	2250	22290
West Bengal	4860	29082	33942	3807	30135
Total	23238	409408	432646	67976	364670

APPENDIX S-9
(PART-II)

Region	No. of Applications sanctioned during the year	Applications sanctioned within 20 days	Applications sanctioned after 20 days	Applications pending at the end of the year	Amount authorised for payment (Rs. in lakhs)
Andhra Pradesh	34299	16433	17866	2299	1213.62
N.E. Region	3125	1105	2020	755	97.85
Bihar	5300	1610	3690	283	186.79
Delhi	3509	2457	1052	74	239.92
Gujarat	24191	9098	15093	2084	1763.11
Haryana	6258	4070	2188	344	427.86
Karnataka	29808	18196	11612	1661	1566.88
Kerala	40476	23550	16926	3120	1831.25
Madhya Pradesh	13596	12526	1070	788	708.98
Maharashtra	29945	19757	10188	2970	3038.69
Orissa	13675	10268	3407	1447	403.19
Punjab	7235	4268	2967	296	312.20
Rajasthan	8820	6641	2179	141	481.52
Tamil Nadu	71542	51645	19897	4204	3430.25
Uttar Pradesh	20383	8421	11962	1907	1049.38
West Bengal	27699	18906	8793	2436	967.33
Total	339861	208951	130910	24809	17718.82

APPENDIX S-10

Region-wise break up of pending applications for sanction of advances as on 31-3-1989

Region	For less than two months	Between 2--6 months	Between six months to one year	More than one year	Total
Andhra Pradesh	2196	103	--	--	2299
N.E. Region	443	312	--	--	755
Bihar,	283	--	--	--	283
Delhi	71	3	--	--	74
Gujarat	2081	3	--	--	2084
Haryana	344	--	--	--	344
Karnataka	1611	50	--	--	1661
Kerala	2903	217	--	--	3120
Madhya Pradesh	768	20	--	--	788
Maharashtra	2834	136	--	--	2970
Orissa	1268	179	--	--	1447
Punjab	273	18	--	--	296
Rajasthan	132	9	--	--	141
Tamil Nadu	4183	21	--	--	4204
Uttar Pradesh	954	909	44	--	1907
West Bengal	2296	140	--	--	2436
Total	22645	2120	44	--	24809
% to Total	91.3	8.5	0.2	--	100

APPENDIX S-11

Statement showing the region-wise break-up of issue of Annual Statement of Accounts during the year 1988-89

Region	Accounts issued during the year 1988-89			Annual statement of A/cs pending at the end of the year 1988-89		
	A/cs issued up to the year 1987-88	A/cs issued for the year 1988-89	Total	Due to Employers' Fault	Others	Total
Andhra Pradesh	214919	494994	709913	1348199	55696	1403895
*N.E. Region	96761	7934	104695	307423	202947	510370
Bihar	232301	90619	322920	316136	203793	519929
*Delhi	49315	50191	99506	57356	290373	347729
Gujarat	50301	694395	744696	63928	17558	81486
Haryana	272334	46699	3190333	69659	30615	100274
Karnataka	34609	1654986	1689595	296798	188234	485032
Kerala	108801	626844	735645	51682	47994	99676
Madhya Pradesh	404668	117692	522360	6036	75909	81945
Maharashtra	779280	772667	1551947	1892919	3563768	5456687
Orissa	147804	232065	379869	174616	18109	192725
Punjab	151379	485376	636755	254100	24310	278410
Rajasthan	122502	199418	321920	203870	108524	312394
Tamil Nadu	530679	1331706	1862385	136868	265444	402312
Uttar Pradesh	346933	656571	1003504	405758	381137	786893
West Bengal	1374677	17999	1392676	2196540	1464358	3660898
Total	4917263	7480156	12397419	7781886	6938769	14720655

*Data Provisional, subject to further verifications.

Statement showing the details of Annual Statement of Accounts pending for issue as on 31st March, 1989

Region	Less than one year	1-2 years	2-3 years	3-4 years	More than four years	Total
1	2	3	4	5	6	7
Andhra Pradesh	330276	23095	5439	--	1045085	1403895
*N.E. Region	104267	81044	71461	29261	224337	510370
Bihar	152812	100935	67784	55721	142677	519929
*Delhi	329290	9474	4649	4316	--	347729
Gujarat	69468	12018	--	--	--	81486
Haryana	45163	33497	17195	3397	1022	100274
Karnataka	213327	64083	45914	35224	126484	485032
Kerala	51739	21413	8459	7616	10449	99676
Madhya Pradesh	79507	2438	--	--	--	81945
Maharashtra	2157589	1339774	779546	452349	727429	5456687
Orissa	110764	34083	24322	14116	9440	192725
Punjab	170873	48330	29785	16597	12825	278410
Rajasthan	111347	57371	44785	33662	65229	312394
Tamilnadu	242534	96093	57491	6159	35	402312
Uttar Pradesh	528114	78650	66823	43528	69778	786893
West Bengal	1202001	1011903	902463	305816	238715	3660898
Total	5899071	3014201	2126116	1007762	2673505	14720655

APPENDIX S-13

Family Pension Fund contributions received (Year-wise)

(Rs. in crores)

Year	Employees' and Employers' Contribution	Government's Contribution	Total
1971-72	1.64	2.30	3.94
1972-73	6.40	3.00	9.40
1973-74	10.29	4.60	14.89
1974-75	16.54	5.01	21.55
1975-76	24.14	9.34	33.48
1976-77	28.85	12.37	41.22
1977-78	35.51	10.80	46.31
1978-79	43.04	12.80	55.84
1979-80	52.33	20.10	72.43
1980-81	66.14	24.00	90.14
1981-82	80.30	28.00	108.30
1982-83	93.72	28.00	121.72
1983-84	113.74	28.75	142.49
1984-85	130.32	32.39	162.71
1985-86	153.88	70.22	224.10
1986-87	183.21	72.64	255.85
1987-88	205.10	102.52	307.65
1988-89	244.41	85.68	330.09
Total	1489.56	552.55	2042.11

APPENDIX S-14

Region-wise break-up of Prosecution cases under section 14 of the Act against the defaulting employers for non-payment of Family Pension Fund contribution during the year 1988-89

Region	Pending as on 31-3-88	Launch- ed during the year	Total (2+3)	Cases decided during the year					Pending as on 31-3-89 (Col. 4-9)	Break up of pending cases					
				Con- vict- ed	Acquit- ted/ Adm.	With- drawn	Dis- mis- sed/ Dis- charged	Total (5+6+7+8)		Less than 6 months	6 months to 1 year	From 1-2 years	From 2-3 years	More than 3 years	Total
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
Andhra Pradesh	166	209	375	7	5	--	21	33	342	93	68	37	61	83	342
N.E. Region	136	100	236	9	--	--	--	9	227	33	67	40	26	61	227
Bihar	609	90	689	--	--	--	--	--	689	60	20	175	280	154	689
Delhi	83	29	112	--	2	--	--	2	110	19	10	5	3	73	110
Gujarat	331	1	332	28	--	--	--	28	304	1	--	239	24	40	304
Haryana (R)	904	352	1256	11	--	--	--	11	1245	125	80	549	350	141	1245
Karnataka	--	119	119	28	--	--	--	28	91	21	70	--	--	--	91
Kerala	194	33	227	2	--	--	--	2	225	28	5	86	106	--	225
Madhya Pradesh	31	25	56	--	--	--	--	--	56	12	13	20	11	--	56
Maharashtra	3114	513	3627	91	4	11	--	106	3521	237	243	839	828	1374	3521
Orissa	246	--	246	1	--	--	--	1	245	--	--	73	93	79	245
Punjab	255	65	320	46	--	--	--	46	274	45	20	104	25	80	274
Rajasthan	32	2	36	--	--	--	--	--	36	--	4	27	1	4	36
Tamil Nadu	550	126	676	80	--	--	--	80	596	98	28	290	43	137	596
Uttar Pradesh	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
West Bengal	8407	1103	9510	405	--	--	--	405	9105	800	303	2515	3676	1811	9105
Total	15058	2759	17817	708	11	11	21	751	17066	1572	931	4999	5527	4037	17066

R--Revised

Region-wise break up of Claims under the Employees' Family Pension Scheme, (All benefits) received, rejected, settled and pendency during the year 1988-89

Region	Claims pending for settlement as on 31-3-88	Claims Received during the year 88-89	Total	Claims Rejected returned for rectification	Claims due for settlement	Claims settled during the year	Claims pending as on 31-3-88
1. Andhra Pradesh	7691	43087	50778	9524	41254	37015	4239
2. N.E. Region	1045	5067	6112	616	5496	3996	1500
3. Bihar	1330	8601	9931	1551	8380	7221	1159
4. Delhi	1558	36563	38121	4156	33965	32300	1665
5. Gujarat	6540	11201	77741	15305	62436	57526	4910
6. Haryana	1963	19761	21724	4327	17397	15728	1669
7. Karnataka	10426	140479	150905	8486	142419	138299	4120
8. Kerala	2646	27442	30088	7128	22960	18448	4512
9. Madhya Pradesh (R)	2069	20108	22177	4557	17620	14688	2932
10. Maharashtra	10474	122294	132768	26043	106725	95485	11240
11. Orissa (R)	2627	8914	11541	3034	8507	6039	2468
12. Punjab (R)	3972	37970	41942	9722	32220	29004	3216
13. Rajasthan	909	15872	16781	3466	13315	12475	840
14. Tamil Nadu	5988	94509	100497	22959	77538	70033	7505
15. Uttar Pradesh	7314	25434	32748	7342	25406	19153	6253
16. West Bengal	1928	32728	34656	6299	28357	26409	1948
Total	68480	710030	778510	134515	643995	583819	60176

R--Revised.

**Year-wise Distribution of Family Pension Claims (all benefits) settled
and Amount authorised for payment**

Year	No. of claims settled	Amount authorised for payment (Rs. in lakhs)
1971-72	112	0.01
1972-73	2494	0.51
1973-74	10669	2.14
1974-75	13488	7.08
1975-76	15382	20.29
1976-77	60603	77.10
1977-78	91810	127.19
1978-79	113164	167.79
1979-80	136614	209.84
1980-81	174046	301.18
1981-82	212675	391.13
1982-83	257689	508.88
1983-84	322263	754.26
1984-85	381007	955.23
1985-86	394859	1179.55
1986-87	442090	1488.18
1987-88	523965	1894.57
1988-89	583819	1921.00
Total	3736749	10045.93

Region-wise distribution of Family Pension Claims (All benefits) pending as on 31-3-1989

Region	Less than 2 months	Between 2 to 6 months	Between 6 to 12 months	More than one year	Total
1	2	3	4	5	6
Andhra Pradesh	3800	245	192	2	4239
N.E. Region	--	530	970	--	1500
Bihar	719	434	6	--	1159
Delhi	1587	78	--	--	1665
Gujarat	4816	91	3	--	4910
Haryana	1440	229	--	--	1669
Karnataka	4056	63	1	--	4120
Kerala	2590	1910	12	--	4512
M. Pradesh	1849	873	182	28	2932
Maharashtra	10153	1087	--	--	11240
Orissa	1284	1168	16	--	2468
Punjab	2286	718	212	--	3216
Rajasthan	575	260	5	--	840
Tamil Nadu	7467	38	--	--	7505
U. Pradesh	4234	1524	495	--	6253
W. Bengal	1660	288	--	--	1948
Total	48516	9536	2094	30	60176

APPENDIX S-17

Statement showing the Region-wise position of monthly Family Pension claims settled during the year 1988-89

Region	Claims Pending as on 31.3.88	Claims received during the year.	Total	Claims returned/rejected during the year.	Claims due for settlement	Total claims settled during the year.
Andhra Pradesh	791	2011	2802	937	1865	1471
N.E. Region	26	381	407	110	297	213
Bihar	153	737	890	135	755	552
Delhi	302	1372	1674	840	834	726
Gujarat	162	1303	1465	381	1084	882
Haryana	123	478	601	28	573	312
Karnataka	170	2316	2486	828	1658	1418
Kerala	270	1175	1445	563	882	580
M. Pradesh	430	781	1211	239	972	576
Maharashtra	591	3841	4432	1500	2932	2352
Orissa (R)	95	439	534	147	387	294
Punjab (R)	263	735	998	197	801	479
Rajasthan	120	590	710	180	530	417
Tamil Nadu	145	2967	3112	835	2277	2041
U. Pradesh	481	1951	2432	514	1918	1412
West Bengal	427	2199	2626	1096	1530	1209
Total	4549	23276	27825	8530	19295	14934

R--Revised.

Region-wise data of Monthly Family pension claims pending (time interval) as on 31-3-1989

Region	Less than 2 months	Between 2 to 6 months	Between 6 to 12 months	More than one year	Total
1	2	3	4	5	6
Andhra Pradesh	222	109	62	1	394
N.E. Region	--	31	53	--	84
Bihar	96	105	2	--	203
Delhi	108	--	--	--	108
Gujarat	187	12	3	--	202
Haryana	187	74	--	--	261
Karnataka	225	14	1	--	240
Kerala	207	95	--	--	302
Madhya Pradesh	118	173	91	14	396
Maharashtra	530	50	--	--	580
Orissa	50	39	4	--	93
Punjab	85	138	99	--	322
Rajasthan	34	79	--	--	113
Tamilnadu	236	--	--	--	236
Uttar Pradesh	362	144	--	--	506
West Bengal	272	49	--	--	321
TOTAL	2919	1112	315	15	4361

APPENDIX S-19

Contributions and Administrative Charges Received for
Employees' Deposit Linked Insurance Scheme

(Rs. in crores)

Year	<i>Contributions received</i>			<i>Administrative Charges received</i>		
	Employer's Share	Government's Share	Total	Employers Share	Government's Share	Total
1976-77	7.22	4.75	11.97	1.48	0.95	2.43
1977-78	15.69	6.96	22.65	3.40	1.50	4.90
1978-79	17.66	7.31	24.97	3.45	1.55	5.00
1979-80	16.20	7.50	23.70	3.77	1.55	5.32
1980-81	18.53	8.00	26.53	4.26	1.95	6.21
1981-82	19.71	8.00	27.71	4.75	1.95	6.70
1982-83	21.49	8.50	29.99	4.77	2.00	6.77
1983-84	23.90	10.00	33.90	5.60	2.70	8.30
1984-85	25.58	11.00	36.58	5.41	2.72	8.13
1985-86	28.60	13.87	42.47	6.27	5.24	11.51
1986-87	32.03	16.00	48.03	7.09	3.70	10.79
1987-88	33.83	16.91	50.74	7.24	2.00	9.24
1988-89	36.17	16.59	52.76	3.57	--	3.57
Total	296.61	135.39	432.00	61.06	27.81	88.87

APPENDIX S-20

Region-wise position of claims settled under the Employees' Deposit Linked Insurance Scheme during 1988-89

Region	Opening Balance	Received during the year	Total (2+3)	Claims returned during the year	Due for settlement (4--5)	Claims settled during the year	Claims settled within 20 days	Claims settled beyond 20 days	Amount authorised for payment (Rs. in lakhs)	Claims pending as on 31-3-89
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Andhra Pradesh	354	1730	2084	881	1203	954	146	808	59.77	249
N.E. Region.	106	313	419	79	340	242	90	152	9.53	98
Bihar	98	625	723	163	560	432	71	361	29.78	128
Delhi	87	778	865	189	677	608	352	256	36.54	69
Gujarat	289	3003	3292	1632	1660	1330	513	817	81.21	330
Haryana	89	357	446	191	255	162	118	44	9.27	93
Karnataka	307	2271	2578	1138	1440	1151	619	532	58.76	289
Kerala	273	2272	2545	1182	1363	1057	539	518	55.76	306
Madhya Pradesh	51	671	722	290	432	332	136	196	23.95	100
Maharashtra	788	5802	6590	2577	4013	3324	1087	2237	262.65	689
Orissa	170	502	672	275	397	222	71	151	13.31	175
Punjab	133	763	896	412	484	308	114	194	19.32	176
Rajasthan	74	337	411	188	223	164	31	133	9.40	59
Tamil Nadu	319	4509	4828	2709	2119	1767	1131	636	102.96	352
Uttar Pradesh	1018	3062	4080	1031	3049	1819	607	1212	114.02	1230
West Bengal	1416	4569	5985	1385	4600	3329	2287	1042	338.44	1271
Total	5572	31564	37136	14321	22815	17201	7912	9289	1224.67	5614

APPENDIX S-23

Income and Expenditure incurred on the Administration of Additional Emoluments (Compulsory Deposit) Scheme

Rs. in lakh

Year	Amount received from the Govt.	Expenditure incurred
1974-75	12.00	8.56
1975-76	37.00	36.68
1976-77	66.00	64.85
1977-78	77.32	70.38
1978-79	55.00	61.05
1979-80	60.00	57.82
1980-81	54.00	55.94
1981-82	35.00	41.83
1982-83	29.00	33.99
1983-84	26.79	21.82
1984-85	NIL	13.26
1985-86	5.00	5.07*
1986-87	NIL	5.16*
1987-88	NIL	4.07*
1988-89	NIL	6.15*
	457.11	486.63

*Figures are provisional.



Inauguration of Management Development Programme by Shri K. C. Sharma, Additional Labour Secretary.