

28 ANNUAL REPORT



28th ANNUAL REPORT 1980-81

EMPLOYEES' PROVIDENT FUND ORGANISATION

The Employees' 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 Bhavan, Connaught Circus,

NEW DELHI-110001

Phone : 42818

Telex : 31-3779

Gram : CENTFUND

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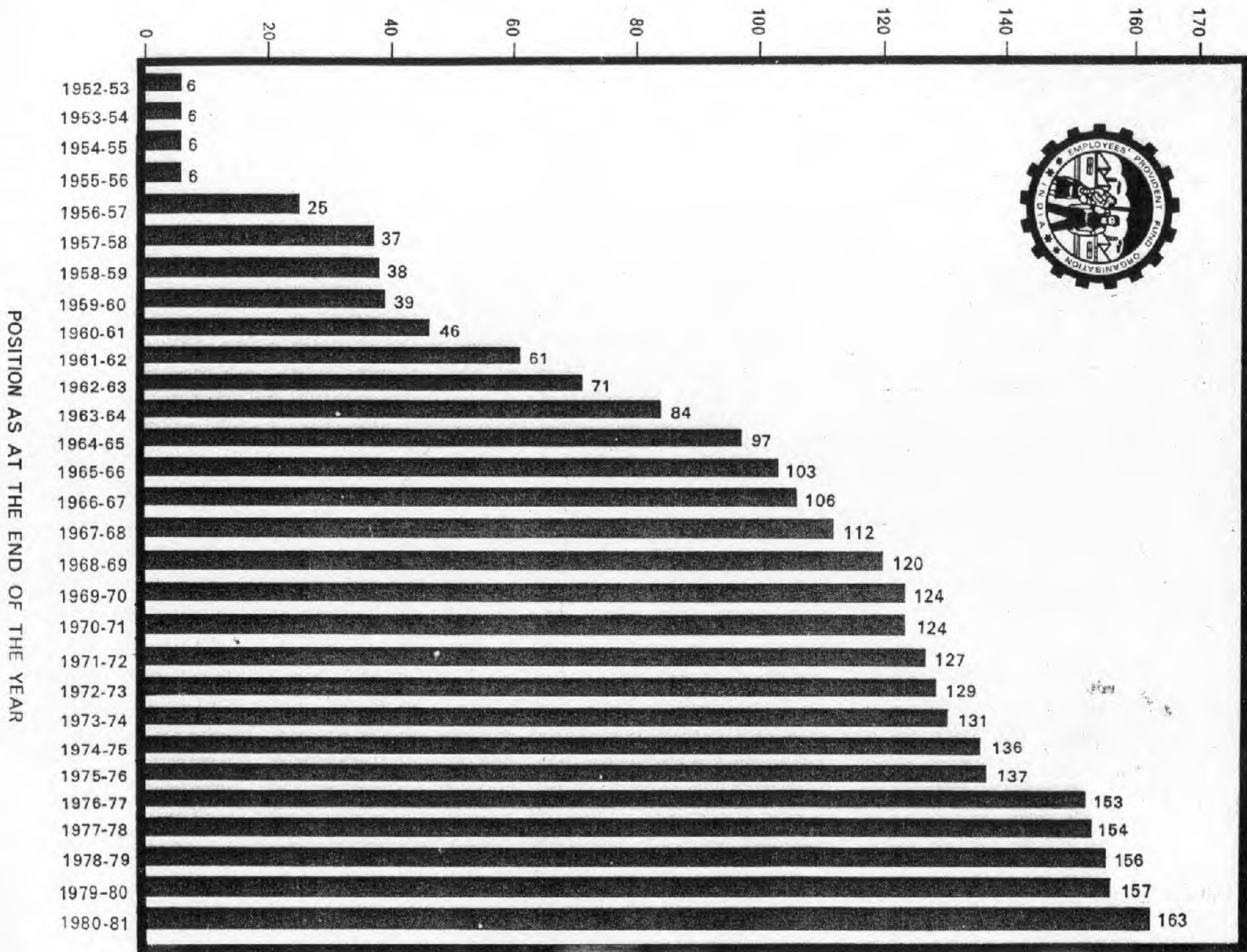
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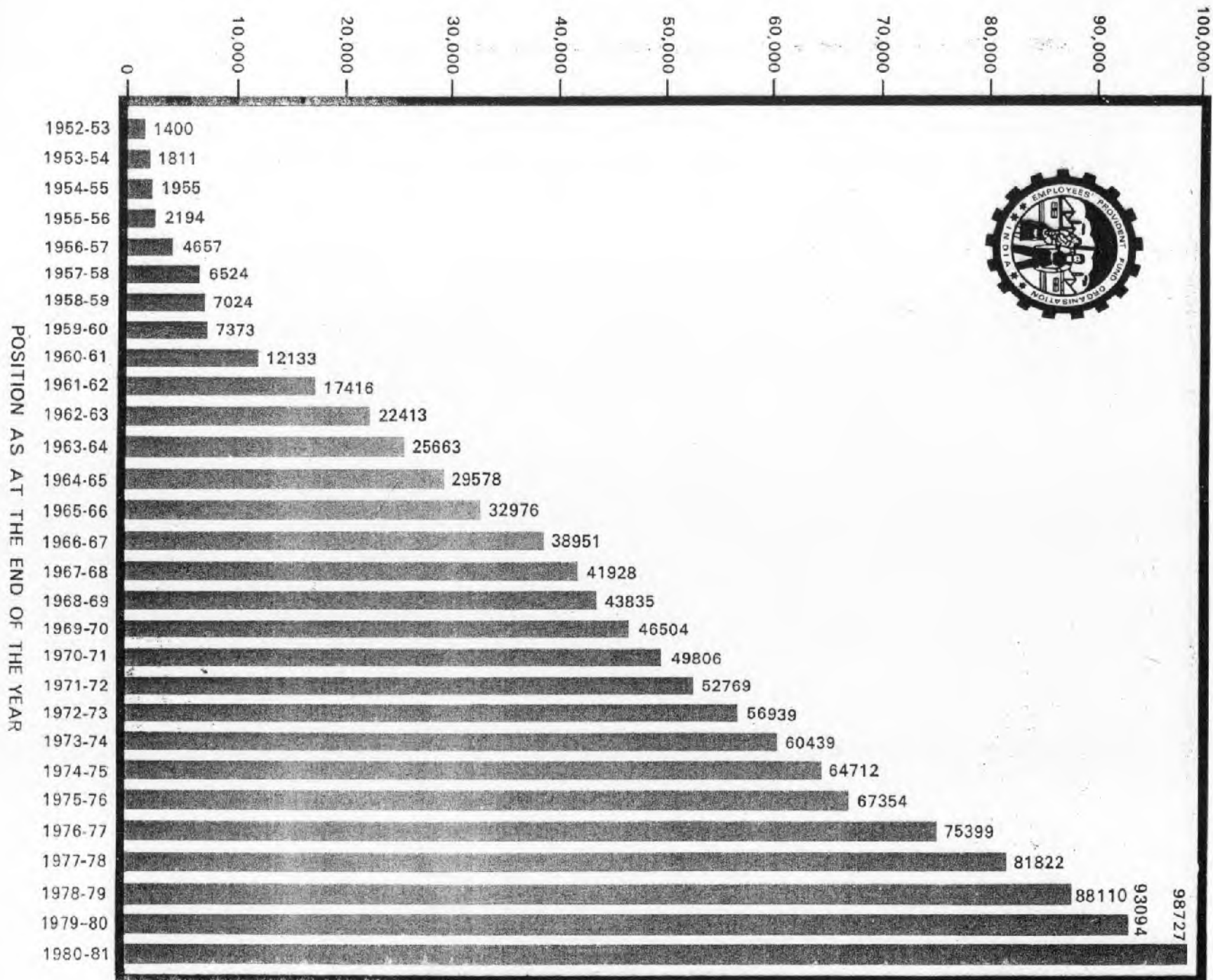
No. of Industries/Classes of Establishments

GRAPH - I



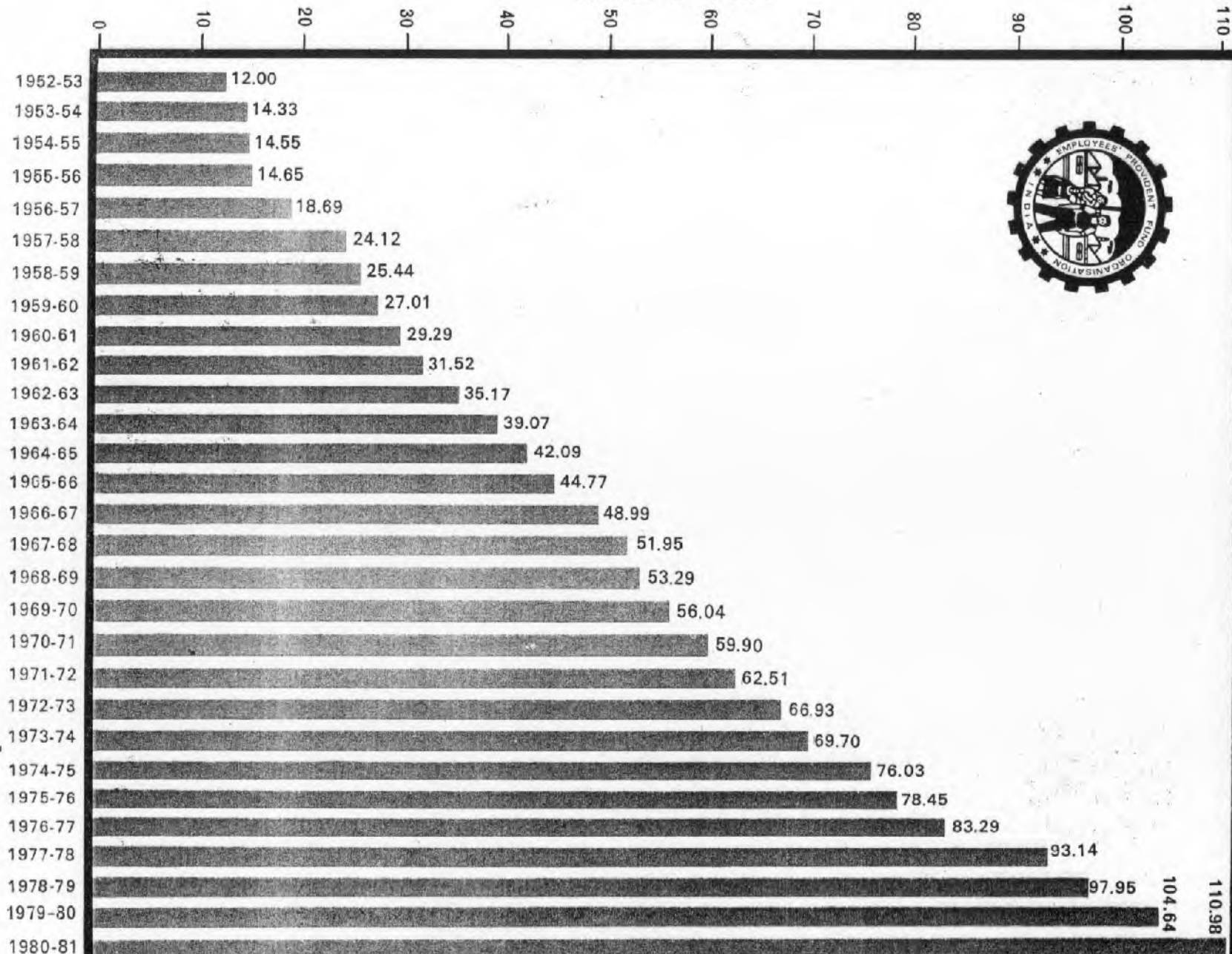
GRAPH - II

No. of Establishments



POSITION AS AT THE END OF THE YEAR

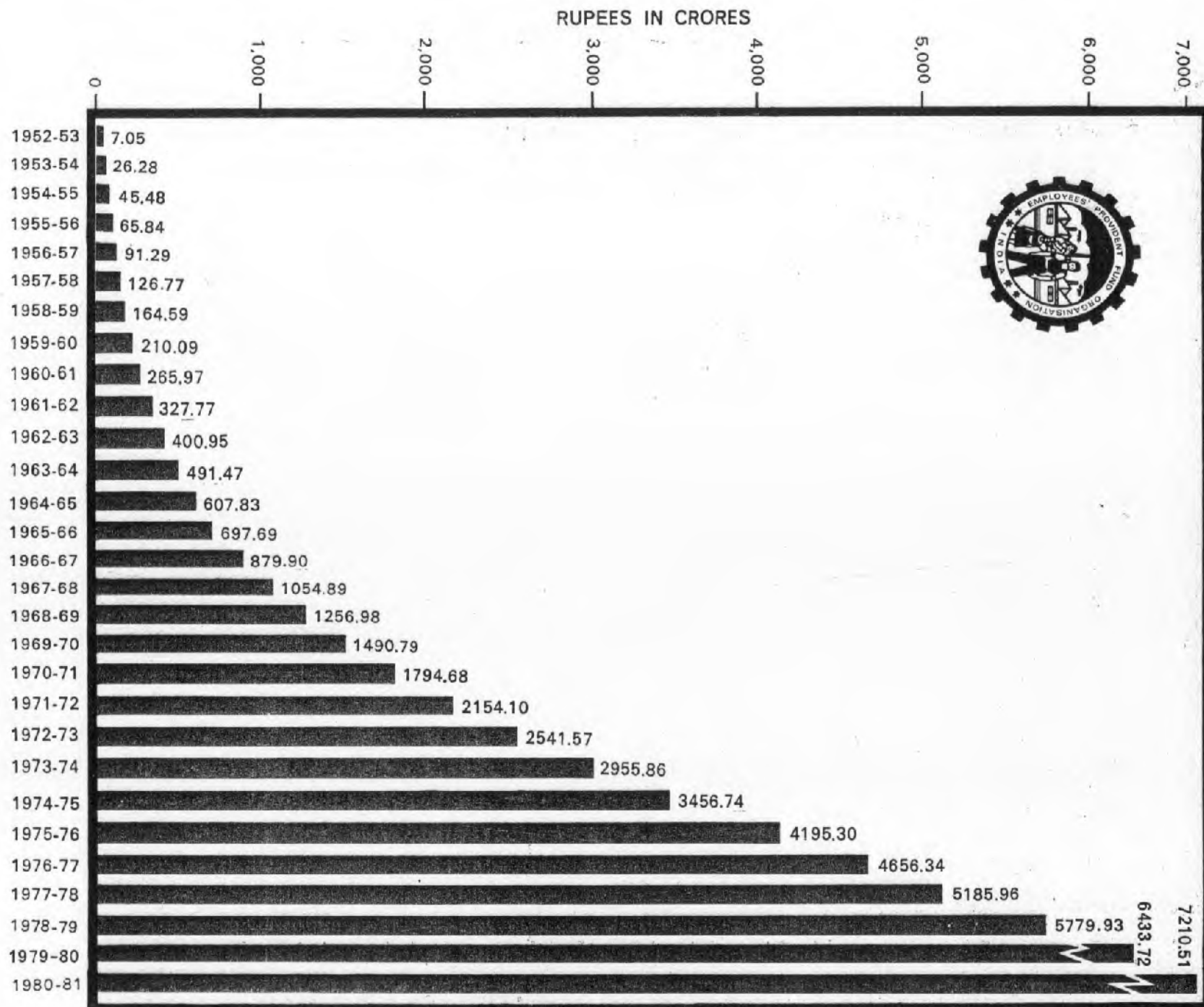
FIGURES IN LAKHS



No. of Subscribers

GRAPH - III

POSITION AS AT THE END OF THE YEAR

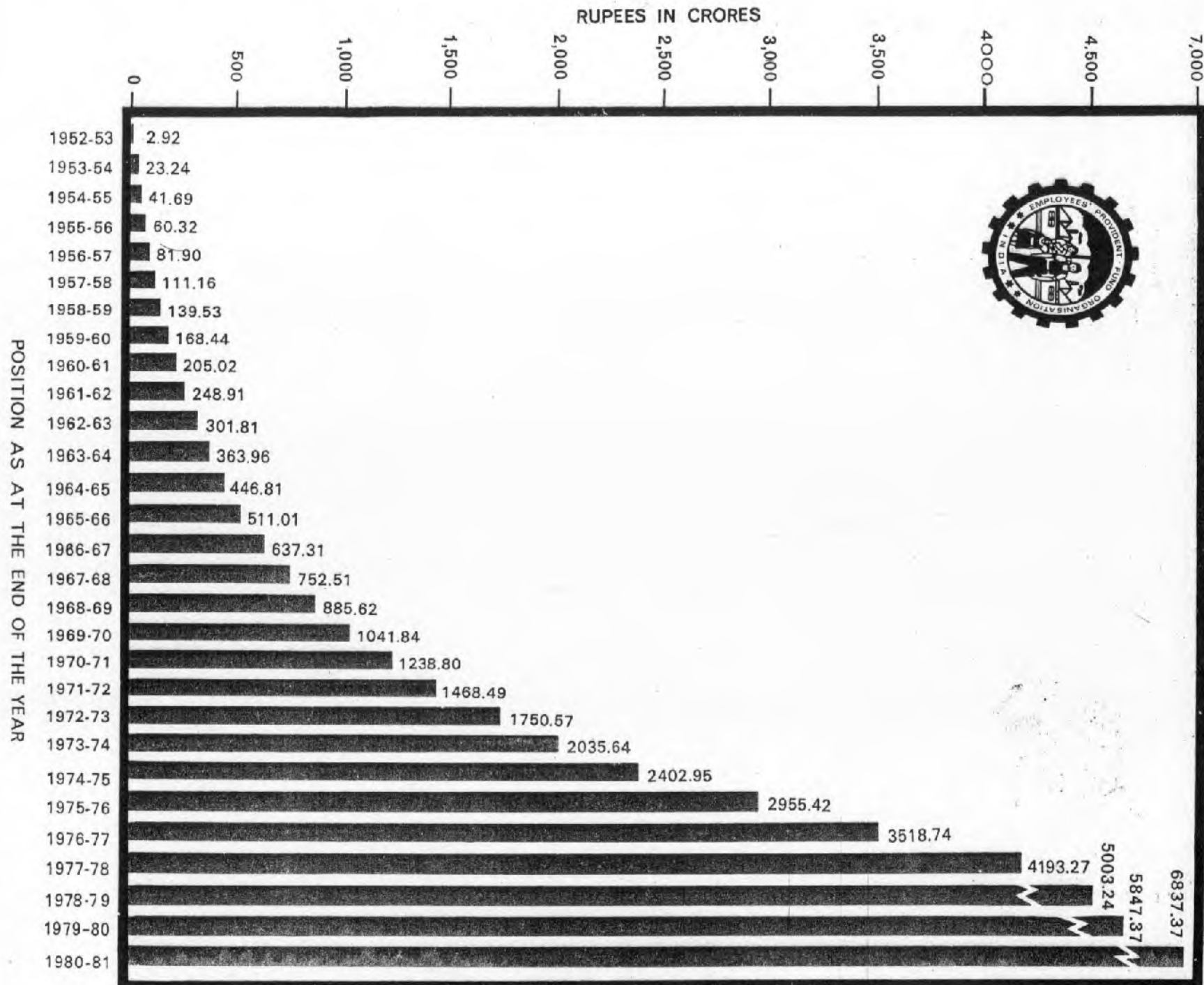


Contributions Received

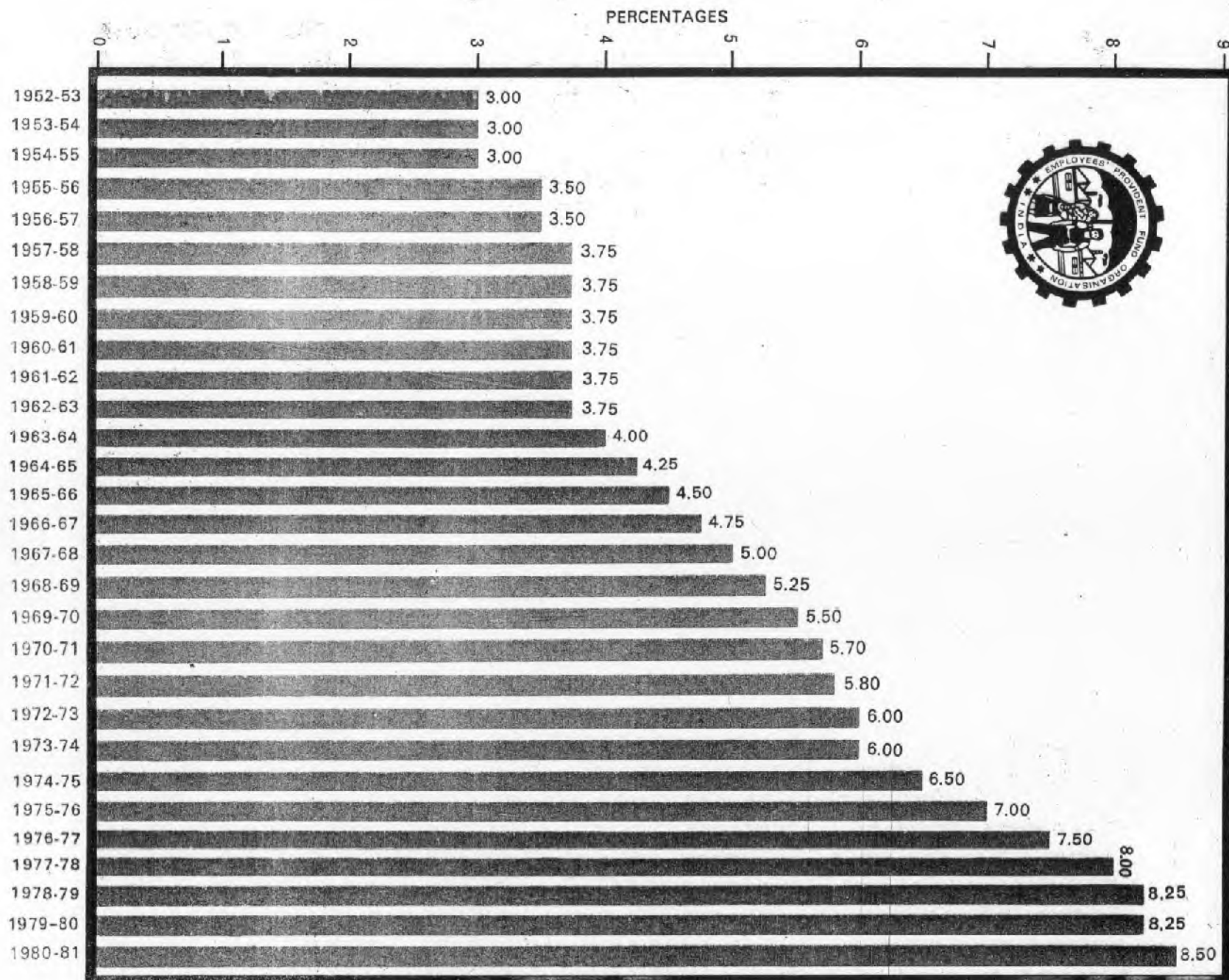
GRAPH - IV

GRAPH - V

Investments Made



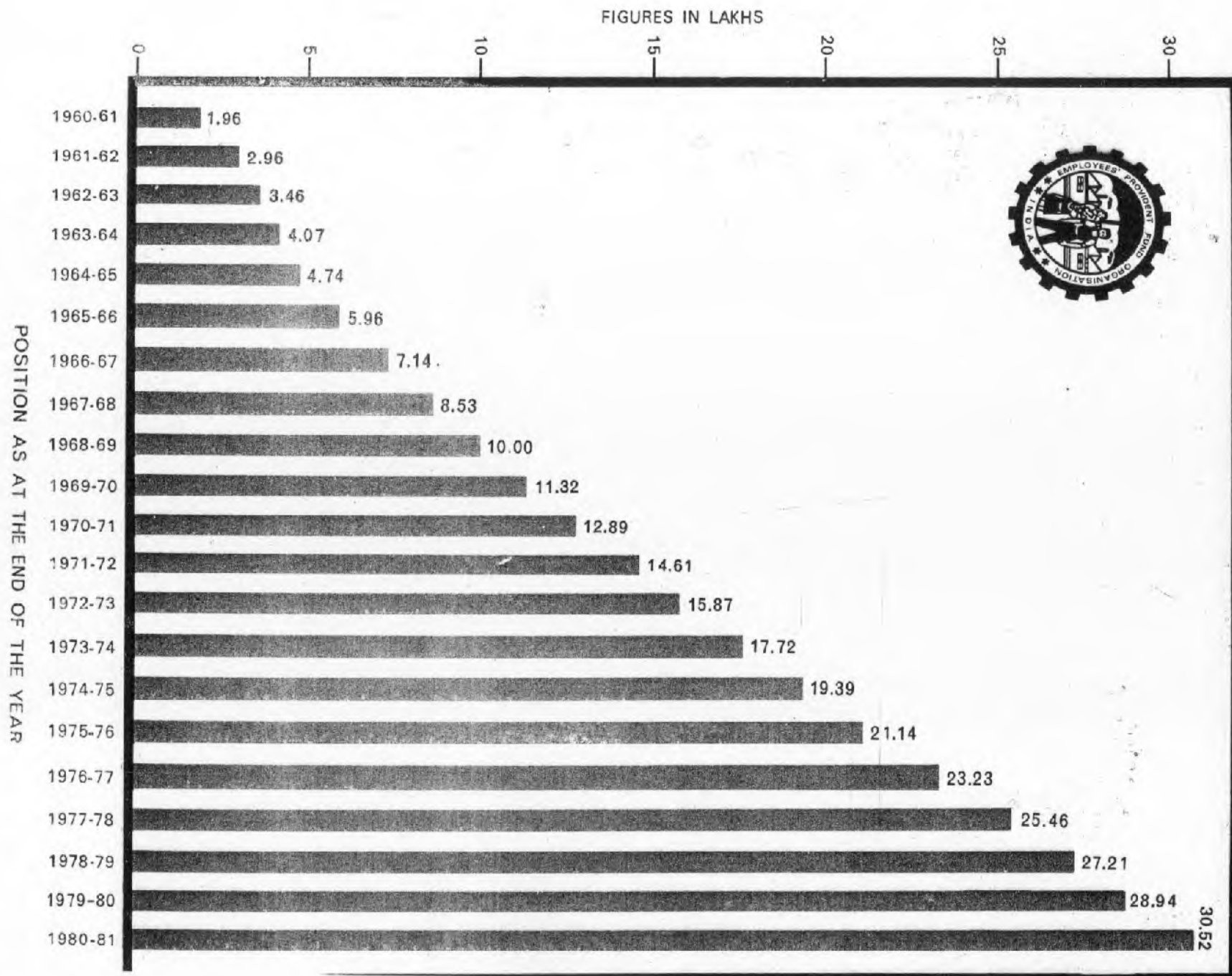
FOR THE FINANCIAL YEAR

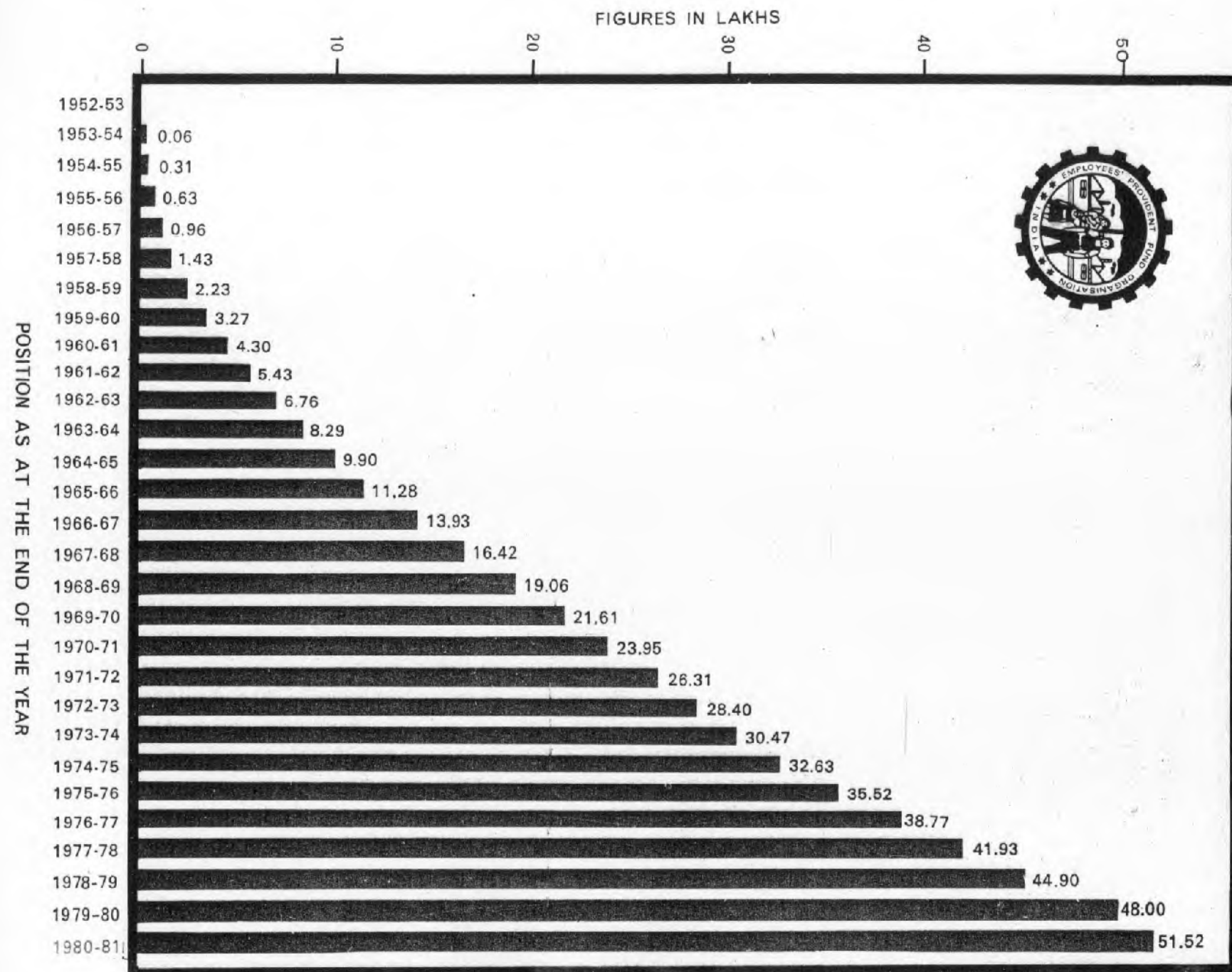


Rate of Interest on Members' Accumulations in Percentages

GRAPH - VI

Number of Advances Sanctioned

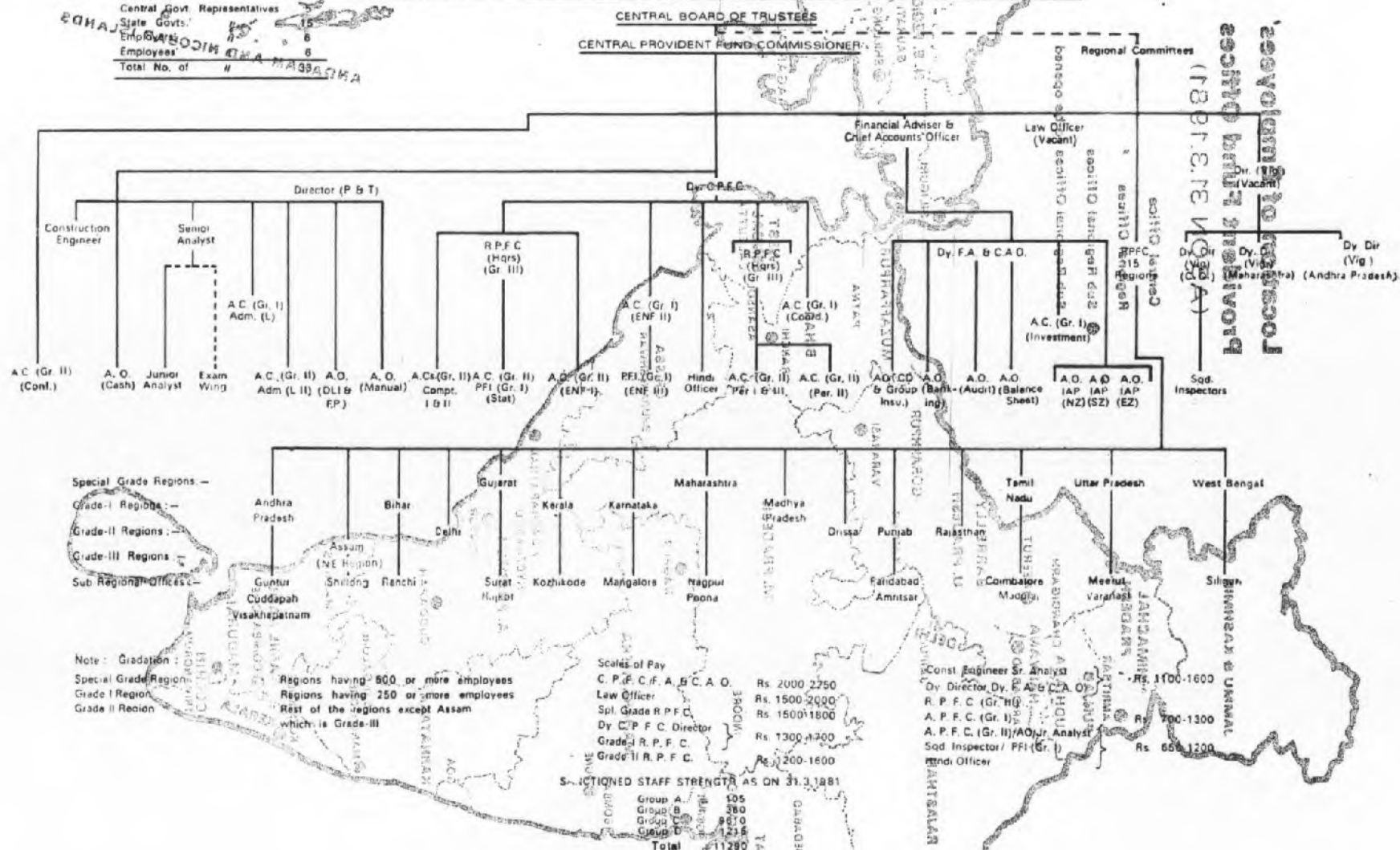




GRAPH - VIII

Number of Claims Settled

	1
Chairman	1
Central Govt. Representatives	2
State Govts.	15
Employers	6
Employees	6
Total No. of	35



Location of Employees' Provident Fund Offices (ASON 31.3.1981)

- ◆ Central Office
- Regional Offices
- Sub Regional Offices
- Sub Regional Offices to be opened



INTRODUCTION

1.1 The Universal Declaration of Human Rights proclaimed that everyone, as a member of society, has the right to social security and is entitled to realisation, through national effort and international cooperation and in accordance with the Organisation and resources of each State, of the economic, social and cultural rights indispensable for his dignity and free development of his personality.

1.2 The International Labour Organisation, ever since its inception in 1919, played a significant role in evolving universally acceptable basic principles and standards of social security which guided the developments in the field of social security throughout the world.

1.3 In India, the Constitution, inter alia, provided outlines for development of national social security policies. A series of legislations have been formulated by Government towards translating the ideals and objectives enshrined in the Constitution, for providing to the working class a social security cover, and particularly, freedom from fear of economic want.

1.4 Prior to 1948, there was no compulsory statutory provision for provident fund benefits to the industrial workers. The Provident Fund Act of 1925 was restricted in its application. Provident Fund Schemes were followed in some Government employments and in the establishments of only some enlightened employers. In 1948, a beginning was made to provide for a compulsory contributory provident fund for the employees in the coal mines only. Still a vast majority of industrial employees were not covered under any such schemes.

1.5 The First Five Year Plan, while dealing with Social Security, observed that the man-days lost through sickness and disability resulted in heavy drain on the wage-earners' meagre income and thereby a reduction in the industrial output, and that the lack of social security prevented the building up of a stable and efficient labour force. It was also observed that the absence of a social security scheme had largely contributed to the migratory character of labour in India.

1.6 The experience gained out of the working of the provident fund scheme for the coal miners and the persistent demand from the employees in other industries led to the passing of the Employees' Provident Funds Act in 1952 to provide for the institution of provident funds for the employees in the factories and other establishments. Periodical review for improvement of the provisions of the Act led to its amendment eleven times since its enactment in 1952, and also a change in its main title as the Employees' Provident Funds and Miscellaneous Provisions Act.

1.7 The object of the enactment of the original Act in 1952 was the institution of compulsory contributory provident fund in which both the employee and the employer would contribute. The institution of such a scheme would, apart from the advantage of inculcating among the workers a spirit of thrift also provide a steady labour force in industrial centres. The Employees' Provident Funds Scheme was accordingly framed and it came into effect from 1.11.1952. On a review of the working of the Scheme over the years, it was found that Provident Fund was no doubt an effective old-age and survivorship benefit, but in the event of the premature death of the employee, the accumulation in the provident fund was too meagre to render adequate and long-term protection to his family. It was accordingly proposed to introduce a Family Pension Scheme for the employees covered under the Act, and to create a Family Pension Fund for this purpose, by diverting a portion of

the employees' and the employers' contributions to the Provident Fund, to which would be added a contribution by the Central Government. The Employees' Family Pension Scheme was accordingly introduced with effect from 1.3.1971. In the year 1976, the Act was further amended with a view to introducing yet another social security scheme to provide an Insurance cover to the members of the Provident Fund in covered establishments without payment of any premium by such members, the Insurance cover being linked to the deposits in the provident fund to the credit of the deceased employees. The Employees' Deposit-linked Insurance Scheme thus came into effect from 1.8.1976.

1.8 From a modest coverage of about one million employees in 1400 establishments engaged in six major industries in 1952, the Act was subsequently made applicable to 163 industries/classes of establishments, comprising of 98,727 establishments, employing over 11 million persons by the end of the year under report.

1.9 In the administration of the three Schemes, the Organisation has to fulfil and perform the following responsibilities and duties :—

- (i) To make the benefits available to all the eligible employees in all the covered establishments, in the proper manner and at the proper time ;
- (ii) To secure from the employers compliance with the statutory provisions and ensure prompt deposit of the statutory dues and submission of the returns ;
- (iii) To maintain the accounts of the three funds and of the subscribers upto date ;
- (iv) To grant advances to the subscribers, from their credit in the Employees' Provident Fund, for certain specified purposes, in times of need ;
- (v) To keep each subscriber informed about the amount at his credit in the Provident Fund, by furnishing to him every year, a statement of Provident Fund accounts ; and
- (vi) To settle the accounts of a subscriber promptly in the event of his death or on the cessation of his membership.

2.1 The three Schemes are administered by the Central Board of Trustees, a tripartite body consisting of a Chairman appointed by the Central Government, five representatives of the Central Government, 15 representatives of the State Governments, 6 representatives of the Organisations of Employees and 6 representatives of the Organisations of Employers. A list containing the names and addresses of the Trustees of the Board as on 31.3.1981 is given in Appendix 'A'.

2.2 Shri R.K.A. Subrahmanya, Additional Secretary, Ministry of Labour, was the Chairman of the Central Board of Trustees from 1.11.1979 to 12.12.1980. Shri P. Venkata Reddy, Hon'ble Deputy Labour Minister, Government of India, was appointed as the Chairman vide Ministry of Labour Notification No. V-20012/1/75-PF-II dated 12.12.1980. Shri Subrahmanya, however, continues to be a member of the Central Board of Trustees in his capacity as Additional Secretary.

2.3 The summary of the work done and the progress achieved in fulfilling the aforementioned objectives during the year 1980-81 is indicated in Table-I below :

TABLE I
IMPORTANT STATISTICS AND OTHER RELEVANT FACTS AT A GLANCE

A—EMPLOYEES' PROVIDENT FUND

1. No. of covered industries/classes of establishments :	163 (157)		
	<i>Exempted</i>	<i>Unexempted</i>	<i>Total</i>
2. No. of covered establishments :	3,204 (3,085)	95,523 (90,009)	98,727 (93,094)

3. No. of subscribers (in lakhs)	37.87 (36.61)	73.11 (68.03)	110.98 (104.64)
4. Contributions received : (Rs. in crores)			
(a) During the year	406.68 (353.98)	370.11 (299.81)	776.79 (653.79)
(b) Progressive	4,362.13	2,848.38	7,210.51
5. Investments made (Rs in crores)			
(a) During the year	569.30 (482.96)	420.70 (361.17)	990.00 (844.13)
(b) Progressive	3,916.62	2,920.75	6,837.37
6. Rate of interest declared by the Government :	8.5% (for 1981-82) (8.25% for 1980-81)		
7. Amount authorised for payment on (i) account of settlement of claims and (ii) grant of advances (Rs. in crores)	<i>Exempted Claims Advances</i>	<i>Unexempted Claims Advances</i>	<i>Total Claims Advances</i>
(a) During the year	126.96 (138.50)	166.28 (176.31)	133.30 (97.36)
(b) Progressive	2,418.10	1,033.36	3,451.46
8. Provident Fund Contributions in arrears (Rs. in crores)	16.92 (14.28)	25.93 (24.61)	42.85 (38.89)

- N.B. 1. The figures in brackets indicate the corresponding position during the year 1979-80.
2. The difference between the P.F. contributions received less amount paid on account of settlement of claims and advances and the investments made represents other receipts on account of refund or withdrawals/advances, investment of interest earned on investments and damages.
3. The figures representing investments made against column (5) in respect of exempted estts. upto the year 1978-79 include redemption proceeds but the same have not been included for the years 1979-80 and 1980-81. These have been shown separately in Table V below para 5. 3.
4. The word 'exempted' means that the establishments have been exempted from the operation of the E. P. F. Scheme, 1952 only.
5. Figures furnished are based on the returns submitted by the Regional Offices.

9. Prosecution cases : (Unexempted establishments)		<i>Launched</i>	<i>Decided</i>	<i>Pending</i>
(a) During the year		6,229 (4,659)	3,786 (2,668)	
(b) Progressive		95,155	66,860	28,295
10. Revenue Recovery Certificates : (Unexempted establishments) (Rs. in lakhs)	<i>No.</i>	<i>Initiated amount involved</i>	<i>No.</i>	<i>Decided amount involved</i>
(a) During the year	5,159 (3384)	1,480.02 (785.00)	3,322 (3254)	546.88 (537.51)
(b) Progressive	93,375	10,455.92	72,225	7,166.95
(c) Pending as on 31.3.1981			<i>No.</i> 21,150	<i>Amount involved</i> Rs. 3,288.97 lakhs
11. Prosecution cases u/s 406/409 I.P.C. (unexempted estts) :		<i>Launched</i>	<i>Decided</i>	<i>Pending</i>
(a) During the year		281 (80)	13 (2)	
(b) Progressive		1,285	176	1,109
12. Annual statements of accounts issued during the year : (Unexempted establishments)		68.66 lakhs (64.08) lakhs		

B—EMPLOYEES' FAMILY PENSION FUND

1. No. of subscribers : (in lakhs)	<i>Exempted</i> 18.53 (17.40)	<i>Unexempted</i> 41.12 (36.98)	<i>Total</i> 59.65 (54.38)		
2. Family Pension contributions received (Rs. in crores)	<i>Exem- pted</i>	<i>Unexem- pted</i>	<i>Total</i>	<i>Govt's share</i>	<i>Total</i>
(a) During the year	20.47 (17.25)	41.65 (30.09)	62.12 (47.34)	24.00 (20.10)	86.12 (67.44)
(b) Progressive	91.70	171.38	263.08	104.32	367.40
3. Investment made (Rs. in crores)	<i>Employees' & employers' share</i>	<i>Govt's share</i>	<i>Interest credited</i>	<i>Total</i>	
(a) During the year	62.72 (49.06)	24.00 (20.10)	20.97 (15.72)	107.69 (84.88)	
(b) Progressive	273.24	104.32	70.32	447.88	

- N.B.
- Figures in brackets indicate the corresponding position during the year 1979-80.
 - There is a difference of Rs. 10.16 crores between the total F.P. contributions received from employers of exempted and unexempted establishments (both employers' and employees' share) and the investment made. This is being reconciled.
 - The word 'exempted' means that the establishments have been exempted from the operation of the E.P.F. Scheme, 1952 only.
 - Figures furnished are based on the returns submitted by the Regional Offices.

4. Rate of interest :	5½% (5½%)			
5. F.P. claims settled and amount authorised for payment :	<i>Number of claims</i>	<i>Amount</i> (Rs. in lakhs)		
(a) During the year	1,74,046 (1,36,614)	301.18 (209.84)		
(b) Progressive	6,18,382	913.13		
6. F.P. Fund contributions in arrears (Rs. in crores)	<i>From estts.</i>	<i>From Govt.</i>	<i>Total</i>	
	2.06 (1.55)	28.25 (20.93)	30.31 (22.48)	
7. Prosecution cases :	<i>Launched</i>	<i>Decided</i>	<i>Pending</i>	
(a) During the year	2,304 (2,058)	1,496 (945)		
(b) Progressive	13,087	6,010	7,077	
8. Revenue Recovery Certificates :	<i>No.</i>	<i>Initiated amount involved</i>	<i>No.</i>	<i>Decided amount involved</i>
	3,410	Rs. 96.05 lakhs	1,309	Rs. 23.85 lakhs
(a) During the year	(2,419)	(Rs. 38.06 lakhs)	(1,067)	(Rs. 18.32 lakhs)
(b) Progressive	14,169	Rs. 270.90 lakhs	6,288	Rs. 89.66 lakhs
(c) Pending as on 31.3.1981	7,881	amount involved Rs. 181.24 lakhs		

C—EMPLOYEES' DEPOSIT LINKED INSURANCE FUND

1. D.L.I. Fund contributions received (Rs. in crores)	<i>Employers' share</i>	<i>Govt's share</i>	<i>Total</i>
(a) During the year	17.98 (16.75)	8.00 (7.50)	25.98 (24.25)
(b) Progressive	73.64	34.52	108.16
2. Investment made (Rs. in crores):			
(a) During the year			21.90 (20.79)
(b) Progressive			101.77

- N.B. 1. Figures in brackets indicate the corresponding position during the year 1979-80.
2. Figures in respect of Family Pension Fund and Deposit-linked Insurance Fund are provisional subject to Audit.
3. The contributions to the Family Pension Fund and Deposit-linked Insurance Fund by Government are provisional.
4. Figures of arrears of Family Pension Fund contribution from Government are provisional.
5. Figures furnished are based on returns submitted by the Regional Offices.

3. E.D.L.I. claims settled and amount authorised for payment :	<i>Number of claims</i>	<i>Amount (Rs in lakhs)</i>		
(a) During the year	9,366 (7,157)	551.45 (433.66)		
(b) Progressive	23,266	1,411.59		
4. E.D.L.I. contributions in arrears (Rs. in crores)	<i>Employers' share</i>	<i>Govt's share</i>	<i>Total</i>	
	0.93 (0.98)	2.76 (1.80)	3.69 (2.78)	
5. Prosecution cases (launched against the defaulting employers) :	<i>Launched</i>	<i>Decided</i>	<i>Pending</i>	
(a) During the year	2,218 (499)	596 (256)		
(b) Progressive	3,973	1,317	2,656	
6. Revenue Recovery Certificates : (Amount involved shown in lakhs of rupees)	<i>No.</i>	<i>Instituted amount involved</i>	<i>No.</i>	<i>Decided amount involved</i>
(a) During the year	2,989 (2,712)	21.86 (17.68)	1,175 (860)	7.21 (7.67)
(b) Progressive	9,200	70.02	3,322	22.48
(c) Pending Revenue Recovery Certificates	<i>No.</i> 5,878	<i>Amount involved</i> 47.54		

-
- N.B. 1. Figures in brackets indicate the corresponding position during the year 1979-80.
2. Figures in respect of F.P. Fund and Deposit-linked Insurance Fund are provisional subject to audit.
3. Figures furnished are based on returns submitted by the Regional Offices.

Statement showing region-wise position of arrears of Provident Fund, Family Pension Fund & Employees' Deposit linked Insurance Contributions, Administrative charges, Penal damages and Inspection charges (in respect of exempted establishments in arrears) as on 31.3.1981

S.No.	Region	F.P.F. Contributions			Adm. charges	E.P.F. EDLI		Adm/ Insp. charges	Penal Damages	Inspection charges in r/o exempted estts.	In respect of Exempted Estts.	
		Employers' share	Employees' share	Total		contri- butions	contri- butions				P.F. Contribution not trans-ferred to the B.O.T.	not invested by the B.O.T.
1.	Andhra Pradesh	36.37	22.79	59.16	1.32	33.19	6.47	1.19	17.24	5.12	8.11	59.46
2.	N.E. Region	13.31	13.27	26.58	0.75	1.31	0.16	0.03	11.77	0.65	1.11	30.06
3.	Bihar	86.88	86.87	173.75	4.39	20.21	4.84	1.00	28.59	0.68	57.18	35.52
4.	Delhi	8.44	7.99	16.43	0.35	1.39	0.46	0.09	22.55	0.08	—	7.96
5.	Gujarat	19.54	4.43	23.97	0.90	0.27	0.10	0.02	53.17	—	2.94	103.97
6.	Karnataka	15.86	14.14	30.00	0.96	4.04	0.97	0.20	26.99	—	1.00	5.82
7.	Kerala	30.86	34.65	65.51	1.71	6.18	3.11	1.86	37.32	0.01	31.69	105.69
8.	Madhya Pradesh	101.83	49.18	151.01	4.52	2.34	5.69	0.52	302.40	0.32	168.43	25.51
9.	Maharashtra	474.75	180.00	654.75	22.67	55.86	12.50	2.58	193.02	—	84.63	106.19
10.	Orissa	12.64	20.21	32.85	1.62	3.37	0.94	0.14	4.39	—	—	4.86
11.	Punjab	120.87	121.00	241.87	7.32	37.66	5.90	1.14	48.27	—	42.07	—
12.	Rajasthan	11.87	11.87	23.74	1.01	1.31	0.44	0.06	82.11	0.03	28.75	28.62
13.	Tamil Nadu	70.46	70.47	140.93	2.85	5.76	7.84	1.22	243.75	0.06	0.13	104.40
14.	Uttar Pradesh	220.16	179.07	399.23	9.08	17.48	16.86	3.91	136.91	0.02	30.99	18.20
15.	West Bengal	307.76	245.84	553.60	14.60	15.51	26.40	5.05	182.02	0.40	1234.84	124.30
TOTAL :		1,531.60	1,061.78	2,593.38	74.05	205.88	92.68	19.01	1390.50	7.37	1691.87	760.56

N.B. 1. Figures furnished above are based on returns submitted by the Regional Offices.

2. The above figures reflect the amount of arrears assessed by the Regional Provident Fund Commissioners under Section 7-A proceedings.

2.4. During the year under report, the benefits available under the Employees' Provident Funds Scheme, 1952, Employees' Family Pension Scheme, 1971 and the Employees' Deposit-linked Insurance Scheme, 1976 were liberalised as indicated below :—

- The qualifying period of service for provident fund membership was reduced from 6 months' continuous service/120 working days to 3 months' continuous service/60 working days with effect from January 31, 1981.
- The minimum amount of the monthly Family Pension, in the pay range of below Rs. 200/- per month was enhanced from Rs. 40/- to Rs. 60/- and the enhancement was given effect to from March 1, 1980.
- The quantum of the Life Assurance benefit, under the Employees' Family Pension Scheme was enhanced from Rs. 1,000/- to Rs. 2,000/- and the enhancement was given effect to from March 1, 1980.
- Condition of maintenance of an average balance of Rs. 1,000/- for a period of 3 years in the Provident Fund account of the deceased member will not be insisted in cases of death occurring between 1.8.1976 to 31.7.1979, i.e. during the first 3 years of the operation of the E.D.L.I. Scheme provided that the average balance in the account of the deceased member was not below Rs 1,000/- during the period of his membership for getting the benefits available under the E.D.L.I. Scheme.

EMPLOYEES' PROVIDENT FUND

Coverage :

3.1. The Employees' Provident Funds and Miscellaneous Provisions Act, 1952 is applicable to factories and other establishments which are engaged in certain specified Industries/Classes of establishments and which employ 20 or more persons and have completed 3 years if they employ 50 or more persons and 5 years if they employ between 20 and 49 persons. The Act does not apply to cooperative societies employing less than 50 persons and working without the aid of power. A list of Industries/Classes of establishments covered under the Act as on 31.3.1981 is given at Appendix-D.

3.2. During the year, the Act was extended to six more industries/class of establishments namely: Diamond Cutting; Quartzite Mines; Inland Water transport; Establishments engaged in building and construction; Myrobalan extract powder, Myrobalan extract solid and vegetable tannin blended extract and Brick industry.

3.3. An establishment which is not otherwise coverable under the Act can be covered voluntarily with the mutual consent of the employer and the employees under Section 1(4) of the Act. As on 31.3.1981, as many as 2.76 lakhs of employees were enrolled as members of the Fund in 5,422 establishments covered on a voluntary basis.

3.4. It is proposed to extend the Act to the industries in respect of which the Organisation has already conducted a survey and proposals have been sent to Government for issue of Notifications under Section 1(3)(b) and Section 4 of the Act.

3.5. As a result of continued efforts made by the Organisation through a system of intensive inspections to bring within the purview of the Act all coverable establishments and also to ensure that the benefits available under the Act were extended to all the eligible employees of such establishments, 6.34 lakhs of employees in 5,633 establishments (including 9,415 employees in 341 establishments covered due to the extension of the Act to 6 additional industries/classes of estts. during the year) were enlisted as members of the Fund during the year. The regionwise coverage position as on 31.3.1981 is given in the following Table :

TABLE II
Regionwise coverage position as on the 31st March, 1981

S. No.	Region	No. of factories/ establishments			No. of subscribers		
		Ex.	Un-ex.	Total	Ex.	Un-ex.	Total
1.	A. Pradesh	134	6,340	6,474	1,84,410	5,94,415	7,78,825
2.	N.E. Region	64	874	938	39,348	55,575	94,923
3.	Bihar	178	3,389	3,567	2,68,315	2,02,125	4,70,440
4.	Delhi	170	5,040	5,210	2,05,535	1,47,108	3,52,643
5.	Gujarat	145	9,353	9,498	2,63,901	4,41,927	7,05,828
6.	Karnataka	105	6,888	6,993	2,26,514	5,25,922	7,52,436
7.	Kerala	82	4,476	4,558	91,172	5,25,590	6,16,762
8.	M. Pradesh	67	3,552	3,619	2,05,123	3,49,241	5,54,364
9.	Maharashtra	512	17,117	17,629	7,63,726	11,21,519	18,85,245
10.	Orissa	28	1,599	1,627	79,702	1,79,682	2,59,384
11.	Punjab	20	3,661	3,681	33,702	2,42,001	2,75,703
12.	Haryana	34	1,996	2,030	30,932	1,65,554	1,96,486
13.	H. Pradesh	9	272	281	3,766	18,350	22,116
14.	Chandigarh	7	223	230	3,599	28,197	31,796
15.	Rajasthan	126	2,331	2,457	1,02,287	1,72,948	2,75,235
16.	Tamil Nadu	446	12,041	12,487	3,13,760	9,54,883	12,68,643
17.	Uttar Pradesh	253	6,369	6,622	1,66,791	6,98,979	8,65,770
18.	West Bengal	824	10,002	10,826	8,03,823	8,87,269	16,91,092
		3,204	95,523	98,727	37,86,406	73,11,285	1,10,97,691
		(3,085)	(90,009)	(93,094)	(36,60,355)	(68,03,155)	(1,04,63,510)

N.B. Figures in brackets indicate the corresponding position as on the 31st March, 1980.

3.6 The employer of an establishment who has any doubt about the applicability of the Act to his establishment, can submit a petition under Section 19-A of the Act to the Central Government for a decision in the matter. The Central Government have authorised the Legal Adviser in the Ministry of Labour to hear all such Petitions and pass such orders thereon as may be deemed fit on behalf of the Government. The decision of the Government in such cases is final. During the year 1980-81, the Legal Adviser has decided 248 Petitions submitted to the Government under this section after hearing the Petitioner and the Regional Provident Fund Commissioner concerned. As on 31-3-1981, 232 Petitions were pending.

Contributions :

4.1 The normal rate of contribution to the Provident Fund by the employees and the employers, prescribed in the Act, is $6\frac{1}{2}\%$ of the pay, i.e., basic wages plus dearness allowance including cash value food concession, if any, and retaining allowance, if any, of the employees. The Act, however, provides that the Central Government may, if they deem fit enhance the statutory rate of contribution to 8% of pay in respect of any establishment or class of establishments. Upto 31.3.1981, the Central Government had specified 89 industries/classes of establishments, which are required to contribute at 8% of pay to the Provident Fund, subject to employment of 50 persons or above. A list of such industries/classes of establishment is at Appendix-E. The rest are required to contribute at $6\frac{1}{2}\%$ of the pay of the employees.

4.2 A proposal for the enhancement of the statutory rate of contribution to 8% of pay in respect of 13 industries/classes of establishments is under consideration of Government.

(The rate of contribution has been enhanced from $6\frac{1}{2}\%$ to 8% of pay in respect of tobacco leaf industry with effect from 7.8.1981.)

4.3 The total amount of contributions received during 1980-81 was Rs. 776.79 crores (Rs. 406.68 crores in respect of exempted establishments and Rs 370.11 crores in respect of unexempted establishments). The total amount of contributions received since inception of the Scheme upto 31.3.1981 was Rs. 7,210.51 crores (Rs. 4,362.13 crores in respect of exempted establishments and Rs. 2,848.38 crores in respect of unexempted establishments). The comparative contributions received during the last 3 years are as follows :—

TABLE III

(Rupees in crores)

Year	Exempted	Unexempted	Total
1978-79	330.45	263.52	593.97
1979-80	353.98	299.81	653.79
1980-81	406.68	370.11	776.79

Investments :

5.1 The contributions received by the Provident Fund Organisation in respect of unexempted establishments as well as by the Boards of Trustees in respect of exempted establishments are to be invested, after making payments due on account of advances and final withdrawals, according to the pattern laid down by the Government of India from time to time. The pattern of investment prescribed by the Government of India for the year 1980-81 was as follow :—

	1.4.1980 to 31.12.1980	1.1.1981 to 31.3.1981
(i) Government securities as defined in Clause (2) of Section 2 of the Public Debt Act, 1944 (18 of 1944) created and issued by the Central Government (except Treasury Bills)	Not less than 20%	Not less than 15%

	1.4.80 to 31.12.80	1.1.1981 to 31.3.1981
(ii) Government securities as defined in Clause (2) of Section 2 of the Public Debt Act, 1944 (18 of 1944) created and issued by any State Government.	Not less than 20%	Not less than 15%
(iii) Any other negotiable securities or bonds, the principal whereof and interest whereon is fully and unconditionally guaranteed by the Central Government or any State Government.		
(iv) 7 year National Savings Certificates (Second Issue and Third Issue) or Post Office Time Deposits	Not exceeding 35%	Not exceeding 40%
(v) Special Deposit Scheme introduced by the notification of the Government of India in the Ministry of Finance (Deptt. of Economic Affairs) No. F.16(1)-PD/75 dated 30.6.1975	Not exceeding 25%	Not exceeding 30%

The Post Office Time Deposits maturing during this period were reinvested in Post Office Time Deposits and Special Deposits in equal proportion.

5.2 The total investment of Provident Fund accumulations in respect of unexempted establishments as on 31.3.1981 amounted to Rs. 2,920.75 crores. The investment made in the year 1980-81 was Rs. 660.42 crores (Rupees 420.70 crores plus Rs. 239.72 crores redeemed and reinvested) as against Rs. 501.85 crores made during 1979-80. An analysis of the investments made during the year is given below :—

TABLE IV

<i>Investment made in</i>	<i>Rs. in crores</i>
(a) Central Government securities	99.48
(b) State Government and State or Central Government guaranteed securities—	100.16
(c) Post Office Time Deposits and Small Savings	229.52
(d) Special Deposits	231.26
Total (Gross)	660.42
Less redemption proceeds (—)	239.72
Total (Net)	420.70

5.3 The exempted establishments were required to follow the same pattern of investment as is prescribed for the unexempted establishments. The total investment of the Provident Fund accumulations in respect of exempted establishments as on 31.3.1981 amounted to Rs. 3,916.62 crores. The investment during the year 1980-81 is reported to be (as per returns received from the Regional Provident Fund Commissioners) Rs. 668.14 crores (Rs. 569.30 crores plus Rs. 98.84 crores

redeemed and reinvested) as against Rs. 551.78 crores in the previous year. An analysis of the investments made by the exempted establishments during the year is given below :—

TABLE V

<i>Investment made in</i>	<i>(Rs. in crores)</i>
(i) Central Government Securities	132.67
(ii) State Government and State or Central Government guaranteed Securities	127.72
(iii) Post Office Time Deposits and Small Savings	242.09
(iv) Special Deposits	165.66
	<hr/>
Total (Gross)	668.14
Less redemption proceeds (—)	98.84
	<hr/>
Total (Net)	569.30

5.4 Thus the total investment of Provident Fund accumulations in respect of both exempted and unexempted establishments amounted to Rs. 6,837.37 crores as on 31.3.1981 as against Rs. 5,847.37 crores as on 31.3.1980.

Return on Investment :

5.5 During 1980-81, interest was earned to the extent of Rs. 200.63 crores from investments in respect of unexempted establishments and Rs. 204.73 crores in respect of exempted establishments. The average rate of interest earned on the investments made during the year under report was 7.4% per annum in respect of unexempted establishments and 5.64% per annum in respect of exempted establishments.

Rate of Interest :

5.6 Under para 60(1) of the Employees' Provident Funds Scheme, 1952, the Central Government on the recommendation of the Central Board of Trustees, Employees' Provident Fund, declares the rate of interest to be credited to the accounts of the Provident Fund subscribers annually. The rate of interest is fixed with reference to the yield received during the year on the investment of Provident Fund moneys. The rate of interest which was 3% per annum at the initial period in 1952-53 has periodically been raised and is at present 8.5% per annum for the year 1981-82. The Organisation is reviewing periodically the possibility of raising the rate of interest by progressive liberalisation of the pattern of investment. As a result of the efforts made by the Central Board of Trustees, the Government have further liberalised the pattern of investment w.e.f. 1.1.1981. The Central Board of Trustees at their 86th meeting held in October, 1980 have set up an Investment Committee to oversee the investments at present made by the Reserve Bank of India and also to explore the possibility of securing maximum yield from the investment and thereby raising the rate of interest payable to the members of the Fund.

5.7 The rate of interest declared by exempted establishments varies from establishment to establishment. Detailed information about the rate declared is not available in respect of all the exempted establishments. A suitable mechanism is being evolved to obtain complete information on this subject and to present the general trends in the annual report.

Maintenance of Scrip-wise Register :

5.8 The Provident Fund monies are being invested by the Reserve Bank of India on behalf of the Organisation in various Central/State Government Securities, Post Office Time and Special Deposits of the Govt. and the scrips are kept under the safe custody. Although periodical intimations of the investments are received, there was no system prevalent to check at the Headquarters level whether the redemption proceeds of securities, maturing on different dates as also the interest thereon have actually been realised and reinvested in time.

5.9 A system of maintenance of scripwise details of the various securities to watch and ensure the timely collection of interest and maturity proceeds has been introduced in the Central Office to facilitate the reconciliation with the holding certificates issued by the Reserve Bank of India. The reconciliation since inception of the Scheme upto 31.3.1930 is under progress.

The Committee on Exempted Establishments has also recommended that the exempted establishments should also maintain scrip-wise registers.

Provident Fund Arrears :

6.1 Of the 95,523 unexempted establishments covered all over the country as on 31.3.1981, employers of 5,989 establishments have defaulted in the remittance of Provident Fund contributions to the Fund. The recovery of arrears of Provident Fund contributions from these defaulting establishments remained a major problem for the Organisation. The arrear position during the last five years is indicated in Table given below :—

TABLE VI
Region-wise position of arrears of Provident Fund Contributions as on 31.3.1981

Sl. No.	Region	March 1977	Arrears as at the end of			
			March 1978	March 1979	March 1980	March 1981
(Rs. in lakhs)						
1.	A. Pradesh	43.84	46.00	42.49	70.42	59.16
2.	N. E. Region	26.65	26.52	29.29	29.42	26.58
3.	Bihar	81.36	91.52	92.07	92.10	173.75
4.	Delhi	8.33	9.56	11.43	13.69	16.43
5.	Gujarat	50.98	48.41	46.45	29.30	23.97
6.	Karnataka	8.57	28.30	29.32	30.21	30.00
7.	Kerala	60.04	57.81	57.98	69.26	65.51
8.	Madhya Pradesh	150.99	149.84	151.41	151.02	151.01
9.	Maharashtra	537.49	663.91	683.42	643.99	654.75
10.	Orissa	12.50	19.18	57.08	41.67	32.85
11.	Punjab	18.10	18.10	175.33	205.27	241.87
12.	Rajasthan	16.79	16.92	16.23	14.19	23.74
13.	Tamil Nadu	108.56	124.94	128.28	142.16	140.93
14.	Uttar Pradesh	191.71	228.56	322.09	355.11	399.23
15.	West Bengal	511.34	500.59	588.84	573.15	553.60
Total		1,827.25	2,030.16	2,432.21	2,460.96	2,593.38

(Basis : Returns submitted by the Regional Provident Fund Commissioners)

6.2 Besides, Rs. 74.05 lakhs and Rs. 7.37 lakhs were outstanding on account of Administrative Charges and Inspection Charges (from exempted establishments) respectively and Rs. 1390.50 lakhs on account of Penal Damages as on 31.3.1981 (as per returns received from the Regional Provident Fund Commissioners).

6.3 The total amount of arrears of Provident Fund contributions as on 31.3.81 was Rs. 2593.38 lakhs. Of these, Rs. 1707.35 lakhs, representing bulk of the amount, were due from establishments which had been closed or were under closure, liquidation or in respect of which recoveries had been stayed by the Courts or which having become sick had been taken over for management or nationalised as shown below. In these cases the means of action available to the Organisation for recovering the dues were rather limited.

<i>S.No.</i>	<i>Classification of arrears</i>	<i>No. of defaulting estts.</i>	<i>Amount in arrears (Rs. in lakhs)</i>
i)	Closure of establishments	319	143.77
ii)	Establishments under liquidation	177	182.47
iii)	Arrears in respect of establishments where recovery has been stayed or reconstruction schemes are pending before the High Courts	109	261.03
iv)	Pre-take over dues in respect of units taken over by the National Textiles Corporation/Authorised Controllers/ where liabilities have been frozen	84	684.15
v)	Post-take over and pre-nationalisation dues in respect of units taken over by the National Textiles Corporation	12	155.77
vi)	Pre-take over and current due in respect of units taken over/assisted by the Industrial Reconstruction Corporation of India	23	71.21
vii)	Establishments run by Receivers/Custodians	16	208.95
	Total :	740	1,707.35
	In respect of other types of estts.	5,249	886.03
	Grand Total :	5,989	2,593.38

6.4 The following Table indicates the position of Provident Fund contributions in arrear—effective and non-effective—vis-a-vis the amount of Provident Fund contributions due and collected during the last six years :—

TABLE VII

<i>Position as on</i>	<i>Total P.F. contributions due (Rs. in crores)</i>	<i>Total P.F. contributions received (Rs. in crores)</i>	<i>P.F. contributions in arrears (Rs. in lakhs)</i>	<i>Percentage of arrears in terms of contributions realised</i>
31.3.1976	1,488.16	1,467.52	2,063.54	1.4%
31.3.1977	1,703.44	1,685.17	1,827.25	1.1%
31.3.1978	1,935.24	1,914.94	2,030.16	1.1%
31.3.1979	2,202.78	2,178.46	2,432.21	1.1%
31.3.1980	2,502.88	2,478.27	2,460.96	1%
31.3.1981	2,874.31	2,848.38	2,593.38*	0.9%*
* { Percentage of effective arrears				= 0.3%
Percentage of non-effective arrears				= 0.6%

6.5 Of the total amount of arrears of Provident Fund contributions of Rs. 25.93 crores, the establishments in Textile; Electrical, Mechanical or General Engineering Industries; Electricity Undertakings; Tea and Tea Plantations; Newspaper establishments & Trading and Commercial establishments accounted for Rs 17.13 crores, which works out to 66% of the total arrears. The Textile and Engineering industries together accounted for 54% of the total arrears. The following Table shows the arrears of these two major industries:

TABLE VIII

Arrears in the Textile & Engineering Industries

(Rs. in crores)

<i>Position as on</i>	<i>Total arrears of Provident Fund contributions</i>	<i>Arrears of Provident Fund contribution in :—</i>	
		<i>Textile Industry</i>	<i>Engineering Industry</i>
31.3.1976	20.64	9.68	3.85
31.3.1977	18.27	9.48	3.04
31.3.1978	20.30	11.44	3.61
31.3.1979	24.32	10.17	3.65
31.3.1980	24.61	11.22	4.31
31.3.1981	25.93	9.28	4.84

6.6 Statement showing the details of unexempted establishments which were in default of Provident Fund dues of Rupees one lakh and above (including arrears of Provident Fund contributions, Administrative charges, Penal damages, etc.) as on the 31 March, 1981 is given in Appendix 'F'.

6.7 The problem of liquidation of arrears of Provident Fund has always been a major concern of the Employees' Provident Fund Organisation. By itself, Provident Fund is not an arrear of land

revenue but is required to be recovered in the same manner as an arrear of land revenue by the Revenue Recovery machinery of the concerned State Government. The Regional Provident Fund Commissioner determines the dues payable by a covered establishment under Section 7-A of the Act. Such determination is final and is not ordinarily to be questioned in any Court of Law. After determination of the dues, the Regional Provident Fund Commissioner issues the Revenue Recovery Certificates for execution through the recovery machinery of the State Government. Despite the clear statutory provision, the Revenue Recovery authorities conduct Revenue Recovery Proceedings thereby giving an opportunity to the certificate debtor once again, to defend himself under the provisions of the Certificate Manual of the State Government. In some of the States there is a provision for appeal from the Court of the Certificate Officer to the Court of Additional District Magistrate and from the latter to the RDC/Member, Board of Revenue. All these protracted proceedings cause delay in the recovery. Sometimes, the defaulting employers also obtain Stay Orders from the High Courts against execution of the Revenue Recovery Certificates. There are also cases where the certificate debtor questions in a Court of Law the accuracy of the dues determined under Section 7A and the Court, after hearing the certificate debtor, directs the Revenue Recovery authorities to remand the case to the Regional Provident Fund Commissioner for fresh assessment of dues under Section 7A. The experience of the Organisation has been that there are defaulting establishments in certain regions which, after securing an interim order of injunction and direction to pay the dues in instalments, seldom honour such direction, compelling thereby the Regional Provident Fund Commissioner to initiate fresh proceedings and in the process, the recovery get delayed.

6.8 Efforts continued to be made for the expeditious realisation of the Provident Fund arrears to the maximum extent possible both by way of Revenue Recovery proceedings and prosecution cases launched under Section 14 and 14A of the Act as also under Section 406/409 Indian Penal Code. The following further steps were taken to secure the recovery of the arrears :

(1) During the year, 5159 Revenue Recovery Certificates were issued for an amount of Rs. 1480.02 lakhs. However, during the year a sum of Rs. 546.88 lakhs was recovered through 3,322 Revenue Recovery Certificates. The number of Revenue Recovery Certificates which remained pending as on the 31.3.1931 was 21,150 involving a sum of Rs. 3,288.97 lakhs.

Regionwise analysis of the pending Revenue Recovery Certificates is given in the Table below :

TABLE IX

<i>Region</i>	<i>For less than 6 months</i>	<i>For more than 6 months but less than 1 year</i>	<i>For over 1 year</i>	<i>Total</i>
Andhra Pradesh	255	45	238	538
N.E. Region	—	5	375	380
Bihar	26	28	258	312
Delhi	75	59	179	313
Gujarat	149	52	49	250
Karnataka	44	29	44	117
Kerala	613	120	175	908
Madhya Pradesh	215	233	2,236	2,684
Maharashtra	486	398	231	1,115
Orissa	14	40	238	292
Punjab	247	187	583	1,017
Rajasthan	81	39	157	277
Tamil Nadu	83	97	325	505
Uttar Pradesh	234	104	2,243	2,581
West Bengal	555	433	8,873	9,861
Total	3,077	1,869	16,204	21,150

(2) During the year 6,229 prosecution cases were launched against the defaulting employers.

Details of the prosecution cases filed and disposed of during 1980-81 are given in the Table below:

TABLE X

Prosecution cases filed and disposed of during 1980-81

<i>Previous cases pending as on 31.3.1980</i>	<i>Cases filed during the year 1980-81</i>	<i>Cases disposed of during the year 1980-81</i>	<i>Cases pending in Courts as on 31.3.1981</i>
25,852	6,229	3,786*	28,295

*Details of the 3,786 cases disposed of during the year are given below :

- (i) Convicted : 2,964
 - In 79 cases, accused were sentenced to compulsory imprisonment raising the no. of cases in which the accused were sentenced to compulsory imprisonment from 1.11.73 to 31.3.81 to 355.
- (ii) Acquitted : 299
 - The main reasons for which cases ended in acquittal were—
 - (a) The dues which were not paid in time were deposited subsequently.
 - (b) The accused proved that they were not responsible for the offence during the period for which the prosecutions were filed.
- (iii) Withdrawn—
 - (a) Consequent on payment of dues, etc. : 258
 - (b) For other reasons, like submission of wanting returns subsequently : 25
- (iv) Dismissed/
discharged : 240
 - (On receipt of up-to-date compliance, accused not traceable, etc.)

Total : 3,786

Regionwise analysis of the pending prosecution cases as on 31.3.1981 is given in the Table below :

TABLE XI

<i>Region</i>	<i>For less than 6 months</i>	<i>For more than 6 months but less than 1 year</i>	<i>For over one year</i>	<i>Total</i>
Andhra Pradesh	59	18	4	81
N. E. Region	—	10	386	396
Bihar	—	172	5132	5304
Delhi	35	96	210	341
Gujarat	34	61	198	233
Karnataka	77	38	390	505
Kerala	606	44	18	668
Madhya Pradesh	53	51	640	744
Maharashtra	1346	788	486	2620
Orissa	124	20	383	527
Punjab	245	96	1143	1484
Rajasthan	50	41	79	170
Tamil Nadu	537	164	521	1222
Uttar Pradesh	884	180	242	1306
West Bengal	1473	1622	9599	12694
Total	5,523	3,341	19,431	28,295

(3) 281 criminal complaints under Section 406/409 Indian Penal Code were filed during the year against the employers of defaulting unexempted establishments for non-remittance of the employees' share of Provident Fund contributions deducted from their wages. The total number of such complaints filed upto 31.3.1981 stood at 1285. During the year 13 such complaints were decided and the no. of such complaints which were pending as on 31.3.1981 was 1,109.

6.9 Recovery of Provident Fund arrears from the mills taken over by the National Textiles Corporation continued to be a special problem. The break up of the different components of the arrears is indicated below :

Dues pertaining to the pretake over period :

Contributions	Rs. 573.12 lakhs
Administrative Charges	Rs. 10.69 lakhs
Damages	Rs. 199.77 lakhs

Dues pertaining to the post-take over period (pre-Nationalisation) :

Contributions	Rs. 155.77 lakhs
Administrative Charges	Rs. 10.66 lakhs
Damages	Rs. 107.68 lakhs

Current (Post-Nationalisation) dues :

Contributions	Nil
Administrative Charges	Nil
Damages	Nil

For the recovery of the dues pertaining to the pre-take over period, i.e. prior to 1.4.1974, the Regional Commissioners had filed claims with Commissioners of Payment appointed under Section 17 of the Sick Textiles Undertaking (Nationalisation) Act, 1974 and several of these claims, especially in the States of West Bengal, Madhya Pradesh, Uttar Pradesh and Rajasthan have not been taken up for verification and admittance. Although the claims had been filed for the entire amount in arrears, the possibility of realisation of dues from the N.T.C. Mills appears to be very remote as the amount of compensation fixed by the Government for each of these Mills is quite insufficient to meet the requirement of even the secured creditors. Moreover, the Provident Fund dues have been given third priority along with the wages and other dues of the employees and in accordance with provisions of the Sick Textiles Undertakings (Nationalisation) Act, the dues are to be settled in accordance with the priority given to them as mentioned in the Second Schedule of the said Act. In view of the remote possibility of recovery of these dues, the Employees' Provident Fund authorities have already requested the Ministry of Labour to seek the opinion of the Ministry of Law on the liability of the N.T.C. Managements in the light of the provisions contained under Section 11 and Section 17B of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 instead of limiting the liability in terms of Section 5(1) and 5(2)(c) of the Sick Textiles Undertakings (Nationalisation) Act, 1974. The matter is under consideration of the Government.

7.1 The Employees' Provident Fund Review Committee which has submitted its report to the Government on the working of the E.P.F. Organisation has made the following recommendations in the matter of recovering the arrears from the N.T.C. Units :—

- "22. The Employees' Provident Funds Scheme, being a statutory Scheme, Government have a special responsibility to ensure that the workers are not deprived of their hard earned savings due to default on the part of the employers to make the payment. The workers allow deductions to be made from their wages for contributions to the Provident Fund in trust so that they would be safe in the hands of a Government Organisation and they have no option in the matter. There is, therefore, an implied guarantee for the security of the contributions. It is, therefore, not unjustified that the workers look to Government for making good the amounts defaulted by the employers. Government should take appropriate steps to assure the workers of the security of the funds entrusted to them by creation of a reserve to meet the contingency of defaults or otherwise.

Para 11.7

23. When Government takes over a sick unit either by nationalisation or otherwise, it should also take over the pre-take-over liability on account of Provident Fund and other dues of workers and it may recoup to the extent possible from the compensation payable to the previous owners. In the case of Industrial units already nationalised the Government should arrange to pay to the Provident Fund authorities at least the Employees' share of contributions.

Para 11.7"

7.2. The final decision of the Government on the above recommendations is still awaited and follow up action will be taken on the basis of the Government's decision.

7.3. The recovery of the arrears from the defaulting establishments which are getting financial assistance from the Industrial Reconstruction Corporation of India in the State of West Bengal as also in the States of Andhra Pradesh and North Eastern Region continued to pose a problem for the Organisation. Consequent on the meeting held on 13.11.79 with the representatives of the I.R.C.I., the position of arrears from the units controlled by the I.R.C.I. was reviewed constantly and it was found that there was some improvement in the position of arrears. The arrears in respect of the un-exempted establishments assisted by I.R.C.I. have come down from Rs. 73.47 lakhs as on 31.3.1980 to Rs. 71.21 lakhs as on 31.3.1981. The arrears in respect of exempted establishments as at the end of

31.3.1981 were Rs. 215.72 lakhs. However, in view of the fact of continued defaults by some of the units, exempted and unexempted, assisted by the IRCI and in view of the findings of the Central Board and the Regional Committee, West Bengal, for securing compliance without any discrimination between the private sector and public sector, the Government of India have been requested to impress upon the IRCI Authorities to clear the arrears at least in a phased manner within a reasonable period by submitting concrete proposals.

7.4. A total amount of Rs. 136.23 lakhs was collected by the RPFCs as Penal damages on belated remittance of provident fund contributions and Administrative Charges from the employers of the defaulting establishments during the year (Rs. 132.87 lakhs was collected as Penal damages on belated remittance of Provident Fund contributions and Rs. 3.36 lakhs on belated remittance of Adm. Charges.)

7.5 The following further steps were taken for quicker realisation of the outstanding Provident Fund dues from the defaulting establishments :—

(1) All Regional Provident Fund Commissioners have been advised to furnish the districtwise break-up of the defaulting establishments and the amount in default as on 31.3.1981 to the Collectors of the concerned districts with the request for expeditious recovery. The Regional Commissioners and the Provident Fund Inspectors have also been asked to have frequent contacts with the Collectors and the Certificate Courts in course of their tours with a view to speeding up the recovery.

(2) On the request of the Central Provident Fund Commissioner most of the State Governments in the Revenue Department and the Board of Revenue have issued instructions to the Certificate Courts to expeditiously execute the certificates issued by the Regional Provident Fund Commissioners and pending with them.

(3) Pursuant to the decision taken in the 31st Session of the Labour Ministers' Conference held on the 19th and 20th July, 1980 detailed instructions have been issued to all Regional Provident Fund Commissioners to conduct joint drives on specific days in a month with the Revenue Recovery authorities for execution of the RRCs. Under this arrangement, the RPFCs are required to render all possible assistance to the certificate courts for execution of the certificates by way of provision of transport and other incidental expenses. During the year 1980-81, such joint drives were conducted in Tamil Nadu & Punjab regions and Rs. 4.95 lakhs and Rs. 1.39 lakhs respectively were realised. This process is on and is expected to gather momentum.

(4) The area Provident Fund Inspectors are saddled with multifarious responsibilities and the important responsibility of conducting inspections had so far suffered owing to court work which consumed much of their time. To provide some relief to them out of this work panels of lawyers in all the regions have been formed. Simultaneously, the services of experienced Lawyers are available to the Organisation and the Organisation expects positive results in recovering the dues by the impact of successful prosecution cases and in arresting the arrears.

(5) A comprehensive circular was issued to all the Regional Provident Fund Commissioners by the Central Provident Fund Commissioner, outlining detailed instructions about levy of damages and for expeditious disposal of all proceedings under Section 7A and Section 14-B. During the year under report, an amount of Rs. 179.86 lakhs was levied as penal damages (Rs. 175.20 lakhs on belated payment of P.F. contribution and Rs. 4.66 lakhs on belated payment of Adm./Inspection Charges) by the Regional Provident Fund Commissioners under Section 14B of the Act against the employers of the defaulting establishments. A sum of Rs. 136.23 was collected as penal damages from the defaulting establishments during the year under report.

(6) As a result of the request made by the Central Provident Fund Commissioner, both in writing and through informal discussion with the Registrars of High Courts of different States, they have issued detailed instructions to the subordinate courts to expedite disposal of all Employees' Provident Fund prosecution cases.

(7) Pursuant to the decision of the Central Government, the Central Provident Fund Commissioner has requested all the State Governments to earmark one or more of the existing courts for exclusive trial of offences committed under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952.

Following this request, States of Bihar, Karnataka and Maharashtra have agreed to specify certain courts specially for exclusive trial of EPF offences. The correspondence is on with the remaining States for setting up of such courts.

7.6 The Employees' Provident Fund Review Committee went into the various factors which have given rise to arrears of Provident Fund and has made certain valuable recommendations "in the matter of recovery of these arrears. The following are some of the important recommendations in this regard :

- (i) Section 8 may be amended so as to provide that all outstanding dues including those of exempted establishments might be recovered as arrears of land revenue and not "in the same manner as an arrear of land revenue" as stated in the Act at present.

(Para 33)

- (ii) Specific provision may also be made in the Act for recovery of arrears of all dues from the establishments whose exemptions are cancelled.

(Para 34)

- (iii) It is desirable for the E.P.F. Organisation to have its Recovery Machinery. This will require appointment of an adequate number of Officers and field staff and special training will have to be given to them for this purpose. A detailed Manual will have to be prepared for use of Recovery Staff who should also have the expertise to deal with legal objections.

(Para 35)

7.7. The Central Board of Trustees continued to review the arrear position in its various meetings held during the year and desired that the following suggestions may be examined in detail and further action taken by the Organisation to arrest the arrears :—

- i) As in the case of Income Tax department, a list of defaulters may be published in the newspapers having circulation all over the country.
- ii) All claims for provident fund arrears, etc., should be filed with the official Liquidator expeditiously by the Organisation, if not already done. (Suitable instructions have already been issued to all Regional Provident Fund Commissioners in this behalf.)
- iii) The banks and financial institutions should insist on production of P. F. Clearance Certificate from the Regional Provident Fund Commissioners concerned before considering sanction of loan or advances to establishments covered under the Act.
- iv) A more serious view may be taken of the stay orders granted by Collectors and Appellate Courts like Board of Revenue. This may be taken up with the respective State Govts. by the Ministry of Labour so that the instances of grant of stay orders may be minimised.
- v) P. F. dues should constitute first charge on the assets of a defaulting estt., so that their realisation becomes easier.
- vi) There are large number of cases where the State Govt./Govt. of India grant moratorium by which recovery of P.F. dues automatically get frozen. A serious view may be taken of all such cases.

- vii) In view of the fact that the Law Ministry has not agreed to the suggestion of separate Revenue Recovery Machinery in the E. P. F. Organisation as also in view of the fact that the State Governments do not evince adequate interest in recovery of P.F. dues, the officers of the Organisation may be notified as Revenue Recovery Officers and be empowered to execute the Revenue Recovery Certificates pertaining to the Organisation.

Suitable action has already been initiated in the light of the above suggestions.

7.8. Besides the above, the following proposals are also under active consideration of the Government.

- i) The period of limitation prescribed under the Code of Criminal Procedure shall not apply to prosecutions under the Act.
- ii) Amendment of Section 11 of the Act to give first priority to the outstanding employer's share of Provident Fund contributions in arrears over all other creditors in the distribution of the assets of the establishment under liquidation or wound up by an Order of the Court on the analogy of similar protection already available in respect of amount due in respect of employees' contribution deducted from the wages of the employees.

7.9. It is hoped that the above proposals if implemented will arrest the default to a considerable extent in the years to come.

EXEMPTED ESTABLISHMENTS:

8.1 The Act applies to every factory/establishment engaged in one or more Industries/Classes of establishments notified/specified, subject to the condition of completion of 3 years if it employs 50 or more persons and 5 years if it employs 20 or more persons but below fifty, from the date of set up. There may, however, be establishments which might be having Provident Fund or Provident Fund-cum-Retirement Scheme of their own on the date of coverage, conferring benefits to its employees, which are on the whole not less favourable to their employees, than those provided under the Act and the Scheme. If the majority of the employees give their consent for exemption of such establishment from the operation of the Employees' Provident Funds Scheme, 1952, then the appropriate Government may by issue of a Notification in the Official Gazette and subject to such terms and conditions as may be specified in the Notification, grant exemption to that factory/establishment from the operation of the Scheme. Exemption is granted under Section 17(1) of the Act to enable the members to continue to enjoy higher benefits of the provident fund scheme existing in those establishments. Such exemption does not amount to total exclusion from the provision of the Act. The exempted establishments are required to constitute a Board of Trustees according to the rules governing the exemption to administer the Fund, subject to the overall control of the Regional Provident Fund Commissioner.

8.2 Exemption is granted subject to fulfilment of certain other conditions, i.e., 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 inspection charges, etc. The exemption is liable to be cancelled for breach of any of these conditions.

8.4 Pending scrutiny of rules and grant of exemption to the establishments that have applied for exemption, the Regional Provident Fund Commissioners may grant relaxation, to these establishments under paragraph 79 of the Employees' Provident Funds Scheme, subject to certain conditions, so that the employees may continue to derive the same benefits available to them under the private Provident Fund Scheme, consequent on the enforcement of the provisions of the statutory Scheme. Section 12 of the Act, however, prohibits the employer of an establishment covered under the Act to reduce, whether directly or indirectly the wages of any covered employee, or the total quantum of benefits in the nature of old age pension, gratuity, provident fund or life insurance to which the employee is entitled

under the terms of his employment, express or implied, by reason only of his liability for the payment of contribution or any charges under the Act.

8.5 Increasing endeavour was made to ensure that the conditions governing the grant of exemption were complied with. Some of the exempted establishments which were found to have defaulted in payment of contributions to the Board of Trustees besides delaying investment, payment of inspection charges and submission of requisite returns were brought to book for securing compliance. According to the returns received as at the end of March, 1981 the employers of 96 exempted establishments failed to transfer an amount of about Rs. 16.92 crores representing the employers' and employees' shares of contributions to the Board of Trustees. A list of exempted establishments which were in default of Rs. one lakh and above as on 31.3.1981 in transferring the Provident Fund contributions to their respective Board of Trustees is given in Appendix—G.

8.6. The Central Board of Trustees at its 86th meeting held on the 13th and 14th October, 1980 at Delhi, resolved to constitute a permanent Committee to oversee the working of exempted establishments. A Committee under the chairmanship of Shri Parduman Singh, Member, Central Board of Trustees and with five other members was constituted in October, 1980. The first meeting of the Committee was held at New Delhi on the 27th December, 1980. The second and the third meetings of the Committee were held at Calcutta on the 25th and 26th March, 1981 and at Bombay on the 6th and 7th May, 1981 respectively. The first interim report of the Chairman of the Committee along with the minutes of the 2nd and 3rd meeting of the Committee were placed before the 89th meeting of the Central Board of Trustees held at Simla on the 30th June and 1st July, 1981 and the same were approved by the Board.

8.7. The Committee has gone in detail into the terms and conditions under which exemptions are being granted at present, the actual working of the exempted establishments with reference to timely transfer of Provident Fund contribution by the employer to the Board of Trustees and timely investment by the latter, the rate of interest credited to the accounts of the members of the exempted fund, working of the common provident fund, etc. The following are some of the important recommendations of the Committee :—

- (i) The exempted establishments may be allowed to invest in Unit Trust of India, Bonds/securities and Term Deposits issued by the Public Sector Undertakings, Fixed Deposits in Banks, Reinvestment Plan in Nationalised Banks and P.O.T.D. Schemes and Small Savings Scheme, with a view to earning more interest on the investment. They may be allowed to invest 100% of the new accruals in high yielding securities to improve their income. Since there is possibility of tampering with the Securities, the securities should be kept in the safe custody of banks for safeguarding the interests of the subscribers.
- (ii) The condition for crediting interest at a rate not lesser than the rate allowed in respect of unexempted establishments should be strictly complied with by the exempted establishments. In case of non-compliance, the exemption should be straightaway cancelled.
- (iii) The provisions of Section 8 and Section 14B of the Act should be suitably amended to provide issue of RRCs by the RPFCs in respect of exempted establishments in case of non-transfer and for levy of penal interest on belated transfer of Provident Fund accumulations to the Board of Trustees.
- (iv) The Committee made certain important recommendations in the working of the common Provident Fund at :
 - (a) Not more than six units in the same State which are separately coverable should be allowed to join the common provident fund, so that each branch is represented on the board of trustees.

- (b) Each one of the common provident fund should have a separate provident fund.
- (c) The Board of Trustees must declare the rate of interest for all participating units. The existing common provident fund having more than six participating units should be bifurcated into different groups and each group of units should be required to have a separate Board of Trustees.
- (v) No exemption be granted unless the consent of the workers is obtained. To this effect, Section 17 may be amended.
- (vi) Section 17 may be amended, according to which if there is continuous default for three months, the exemption should automatically stand cancelled.
- (vii) The Committee further recommended that wherever there is a case of defalcation brought to the notice of the employer or the RPFC, immediate steps should be taken to recover the defalcated amount from the persons. A specific provision may be made in Law to the effect that employer shall be responsible to make good the defalcated amount.

8.8 All Regional Provident Fund Commissioners have been advised to furnish the list of defaulting employers of exempted establishments on 31.3.1981, to the respective Commissioners of Income-tax so that no rebate is allowed on the P.F. dues not transferred by the employers to their board of trustees. It is hoped that this measure will act as a deterrent to prevent the incidence of non-transfer.

8.9 A Statement showing the amount of Provident Fund arrears due from the exempted establishments is indicated in the table below :

TABLE XII
Statement showing the regionwise break up of the amount in the matter of non-transfer of Provident Fund contributions and non-investment of Provident Fund contributions by the Board of Trustees of the exempted establishments as on the 31st March, 1981

S. No.	Region	<i>P. F. contributions not transferred to the Boards of Trustees</i>		<i>P.F. contributions not invested by the Boards of Trustees</i>	
		<i>No. of Estts.</i>	<i>Amount (Rs. in lakhs)</i>	<i>No. of Estts.</i>	<i>Amount (Rs. in lakhs)</i>
1.	A. Pradesh	1	8.11	64	59.46
2.	N. E. Region	2	1.11	1	30.06
3.	Bihar	10	57.18	4	35.53
4.	Delhi	—	—	6	7.96
5.	Gujarat	1	2.94	18	103.97
6.	Karnataka	1	1.00	1	5.82
7.	Kerala	3	31.69	66	105.69
8.	M. Pradesh	5	168.43	21	25.51
9.	Maharashtra	10	84.63	36	106.19*
10.	Orissa	—	—	3	4.86
11.	Punjab	1	42.07	—	—
12.	Rajasthan	5	28.75	21	28.62
13.	Tamil Nadu	1	00.13	156	104.40
14.	U. Pradesh	5	30.99	7	18.20
15.	W. Bengal	51	1234.84	35	124.30
Total		96	1691.87	439	760.56

Action taken :—	No. of Establishments
(a) Show cause notices issued (Amount involved Rs. 536.8 lakhs)	149
(b) Prosecution cases filed under Section 14(2-A) of the Act.	20
(c) Complaints filed under Section 406/409 of Indian Penal Code	4

*Note : As per the information received from the RPFC, Maharashtra out of Rs. 106.19 lakhs only Rs. 10.83 lakhs remain to be invested and the balance was lying for want of securities and towards settlement of accounts.

9.1 Many of the other recommendations of the said committee for streamlining the procedure for grant of exemption and securing timely and effective compliance by the exempted establishments are also under consideration of the Board/Government. For this purpose, necessary amendments proposed to Sections 8, 14B and 17 of the Act are also under consideration of the Government.

NON-COMPLIANCE BY PUBLIC SECTOR UNDERTAKINGS :

10.1 4,244 establishments belonging to the Public Sector Undertakings including departmental undertakings (1,014 belonging to Central Government and Union Territories and 3,230 belonging to the State Governments—1,083 exempted and 3,161 un-exempted establishments) were covered under the Act as on 31.3.1981. Out of these, as many as 845 undertakings (363 exempted and 482 unexempted establishments which are undertakings owned by Central/State Governments/or Departments of the Central/State Governments) were found to have not fully or partly complied with the statutory provisions of the Act and the three Schemes framed thereunder.

10.2 The region-wise break-up of these non-complying Central and State Governments Public Sector Undertakings, both exempted and unexempted as on 31.3.1981, is indicated in the table given below :

TABLE XIII

S. No.	Region	Undertakings of Central Govt including Union Territories.			Undertakings of State Govts. (Including Depts./Municipalities/Corporations		Grand Total	
		Exm.	Un-Exm.	Total	Exm.	Un-Exm.	Total	
1.	A. Pradesh	—	5	5	—	7	7	12
2.	N. E. Region	8	6	14	25	21	46	60
3.	Bihar	—	6	6	5	4	9	15
4.	Delhi	—	5	5	—	—	—	5
5.	Gujarat	—	—	—	4	2	6	6
6.	Karnataka	—	6	6	—	47	47	53
7.	Kerala	13	3	16	5	24	29	45
8.	M. Pradesh	14	2	16	4	110	114	130
9.	Maharashtra	—	9	9	—	—	—	9
10.	Orissa	—	8	8	—	7	7	15
11.	Punjab	9	9	18	3	56	59	77
12.	Rajasthan	—	4	4	—	29	29	33
13.	Tamil Nadu	36	13	49	113	47	160	209
14.	U. Pradesh	63	—	63	17	4	21	84
15.	W. Bengal	20	5	25	24	43	67	92
Total		163	81	244	200	401	601	845

10.3 The region-wise break-up of the arrears of P.F., F.P.F. and E.D.L.I. dues and Penal Damages in arrears as on 31.3.1981 in respect of the defaulting Public Sector Undertakings is given in the table below :

TABLE XIV

Statement showing the details of Provident Fund, Family Pension Fund, Deposit-linked Insurance dues and Penal damages in arrears from the defaulting Public Sector Undertakings as on 31.3.1981.

(Rupees in lakhs)

S. No.	Region	E.P.F. Contn.	Adm. Charges	F.P.F. Contn.	EDLI Contn.	EDLI Adm. Charges	Inspection Charges	Damages	Total
1.	Andhra Pradesh	37.36	5.68	27.44	5.43	1.00	—	0.56	77.47
2.	N.E. Region	11.12	0.04	0.26	0.02	0.04	—	3.84	15.32
3.	Bihar	48.16	0.06	0.48	0.13	0.03	—	1.19	50.05
4.	Delhi	—	—	—	—	—	—	—	—
5.	Gujarat	13.02	0.31	0.02	—	—	—	22.97	36.32
6.	Karnataka	2.91	0.12	0.44	0.10	0.02	—	—	3.59
7.	Kerala	19.87	1.21	1.50	2.30	0.71	—	—	25.59
8.	Madhya Pradesh	6.94	0.14	1.02	0.16	0.03	—	—	8.29
9.	Maharashtra	600.00	—	19.38	22.25	—	—	—	641.63
10.	Orissa	11.97	1.30	1.30	0.11	0.03	—	—	14.71
11.	Punjab	166.91	3.66	29.38	2.95	0.57	—	24.14	227.61
12.	Rajasthan	0.06	0.04	0.03	0.01	—	—	—	0.14
13.	Uttar Pradesh	251.11	4.82	5.56	2.07	—	—	43.95	307.51
14.	Tamil Nadu	5.27	0.23	0.50	4.47	0.13	0.04	5.60	16.24
15.	West Bengal	610.32	4.03	1.46	4.99	0.95	—	55.35	677.10
TOTAL		4785.02	21.64	88.77	44.99	3.51	0.04	157.60	2,101.57

The amount of arrears includes substantial amount pertaining to Air India and Indian Airlines whose dues have been assessed upto 28.2.1981 by the Regional Provident Fund Commissioner, Maharashtra. This accounts for approximately Rs. 608 lakhs in Account No. 1, Rs. 14 lakhs in Account No. 2, Rs. 18 lakhs in Account No. 21 and Rs. 4 lakhs in Account No. 22. This could not be recovered in view of the Government's direction to stay the recovery proceedings till a decision on the applicability of the Act to these establishments is decided in consultation with the Ministry of Law.

10.4 As desired by the Central Board, the matter in regard to securing effective compliance from these non-complying Public Sector Undertakings was taken up with the Government of India who in turn addressed all State Governments and Ministries/Departments of Central Government for immediate compliance in this regard.

10.5 As decided in the Conference of the State Labour Ministers held in July, 1980 also the details of all the non-complying Public Sector Undertakings as on 30.9.1980 were forwarded to the Government of India. The Ministry of Labour, Government of India have individually addressed all the Chief Secretaries/Labour Secretaries along with the details of defaulting Public Sector Undertakings for instructing the Officers in-charge of these units to comply with the statutory requirements immediately. In Tamil Nadu region, the Government of Tamil Nadu have constituted a Special Committee consisting of representatives of the Department of Labour, Finance and others concerned to go into the aspect of uniform implementation of 3 Schemes or to seek exemption under Section 17 of the Act uniformly by all the State Government owned units and its report is awaited. All other Regional Provident Fund Commissioners have also been advised to explore similar possibility in their respective regions. Besides, the Central Commissioner had also discussed the issue in details with the concerned Head of the departments of the units during his inspection tours which has yielded better results.

Settlement of Provident Fund Claims :

11.1 During the year 1980-81, a sum of Rs. 133.30 crores in respect of 3.52 lakhs claims was authorised for payment as against Rs. 97.36 crores in respect of 3.10 lakhs claims settled in 1979-80. The average amount authorised for payment per claim settled during the year amounted to Rs. 3,787 as against Rs. 3,144 in 1979-80. The following table shows the number of claims settled and amount authorised for payment during the last six years :

TABLE XV

<i>Year</i>	<i>No. of claims paid (figures in lakhs)</i>	<i>Amount authorised for payment (Rs. in crores)</i>
1975-76	2.89	67.10
1976-77	3.25	80.53
1977-78	3.16	85.06
1978-79	2.97	85.94
1979-80	3.10	97.36
1980-81	3.52	133.30

11.2 Since inception of the scheme and upto the end of March, 1981 a sum of Rs. 884.17 crores has been authorised for payment in respect of 51.52 lakhs claims, settled.

11.3 The categorywise particulars of the claims settled in 1980-81 are given in the table below. The figures in the brackets indicate the comparative position for the year 1979-80. These, however, do not include the cases of accounts transferred from one region to another or from the Fund to the exempted establishments.

TABLE XVI

Details of claims settled and amount authorised for payment during 1980-81

S. No.	Category	No. of claims paid		Amount authorised for payment (Rs. in lakhs)	
(i)	Death	22,985	(17,883)	1,579.25	(961.58)
(ii)	Superannuation	35,243	(27,959)	3,164.61	(2053.32)
(iii)	Permanent invalidation	5,089	(3,401)	366.01	(152.51)
(iv)	Resignation/termination of service	2,00,926	(1,90,879)	5,009.43	(4450.74)
(v)	Retrenchment	69,525	(56,885)	2,526.88	(1757.67)
(vi)	Dismissal	3,489	(2,167)	160.02	(50.06)
(vii)	Migration	1,825	(1,552)	162.89	(87.05)
(viii)	Others	12,814	(8,967)	360.72	(222.71)
		3,51,896	(3,09,693)	13,329.81	(9,735.64)

11.4 Regionwise analysis of the Provident Fund claims which were outstanding as on 31.3.1981 is given in the table below :

TABLE XVII

S. No.	Region	Less than one month	1-3 months	3-6 months	6-9 months	9-12 months	Over one year	Total
1.	Andhra Pradesh	969	47	138	—	—	—	1,154
2.	North Eastern Region	281	175	68	20	—	—	544
3.	Bihar	415	201	—	—	—	—	616
4.	Delhi	135	—	—	—	—	—	135
5.	Gujarat	1,389	104	1	—	—	—	1,494
6.	Karnataka	1,717	219	83	1	—	—	2,020
7.	Kerala	1,464	880	314	39	1	2	2,700
8.	Madhya Pradesh	638	43	—	—	—	—	681
9.	Maharashtra	4,119	742	71	—	—	—	4,932
10.	Orissa	185	102	—	—	—	—	287
11.	Punjab	1,007	212	—	—	—	—	1,219
12.	Haryana	521	109	23	—	—	—	653
13.	Himachal Pradesh	99	9	—	—	—	—	108
14.	Chandigarh	98	—	—	—	—	—	98
15.	Rajasthan	277	76	9	—	—	—	362
16.	Tamil Nadu	4,681	2,195	69	10	—	—	6,955
17.	Uttar Pradesh	1,895	581	96	367	—	—	2,939
18.	West Bengal	2,413	978	50	—	—	—	3,441
Total		22,303	6,673	922	437	1	2	30,338

11.5 Some of the important difficulties experienced by the Organisation in settling the claims promptly and for which the claims have to be returned for rectification and resubmission are :

- (i) Premature claims are preferred before the expiry of six months' waiting period.
- (ii) The claim form is not attested by the authorised officer or it is signed by an officer whose signature is not available on record of the concerned Regional Provident Fund Commissioner.
- (iii) Signature of the claimant in the claim form differs with the one in Nomination Form 2.
- (iv) Form 2 bears the signatures of the claimant but the claim form contains thumb impression and vice-versa.
- (v) Mode of payment is not indicated in claim form.
- (vi) The father's name of the female member is indicated in Form 2 but in the claim form the name of the husband is given without any intimation about the marriage for record in Form 2.
- (vii) Where the member has worked in more than one establishment, application for transfer of provident fund accumulations from the old account to the new account in the prescribed form is not submitted by the member.
- (viii) Non-submission of the basic returns in Forms 5, 10, 3A, 6A etc. by the employer.
- (ix) Claims are preferred by persons not entitled to receive the payment.
- (x) Non-submission of Nomination Form 2 or revised nomination in Form 8.
- (xi) Non-submission of death certificate/succession certificate wherever required.
- (xii) In some cases certain important columns of the claim Form are left blank.

11.6. It has been the endeavour of the Organisation to settle the claims promptly and thus provide relief to the members/nominees/heirs in the shortest possible time. In order to expedite the settlement, various steps have been taken during the year and the existing procedures have been streamlined. The following are some of the important measures taken :—

- (1) The Central Board of Trustees, in its 86th meeting held on 13/14th October, 1980 decided that 'settlement' would mean the physical despatch of the amount authorised by Money Order or Cheque and not authorisation of payment as was the practice hitherto. After a detailed calculation, they decided to extend the period of settlement from 10 days to 20 days so that the amount due to the member or their nominees/heirs is actually despatched on or before the 20th day from the date of receipt of the claim application. This instruction has been communicated to all Regional Provident Fund Commissioners for strict compliance.
- (2) Claims are received from the members or their nominees/heirs under the three different Schemes in different forms, viz., Form 19 and Form 20 for EPF, Form 10-A and Form 10-B for E.P.F. and Form 5(IF) for EDLI Fund. Wherever the payment is to be made under all the three Schemes, the claim applications were not forthcoming from the nominees/heirs, thereby causing avoidable delay in settlement. With a view to ensure that all the three claims are received together and processed simultaneously for settlement, they have been combined in the form of a booklet, with a checklist of instructions as to how the claim application forms are to be filled up by the members or their

nominees/heirs with an acknowledgement of receipt of the form and with an advance stamped receipt embodied in the form for the benefit of the member or the nominees/heirs after obtaining approval of the Chairman, Central Board of Trustees, Employees' Provident Fund.

- (3) The Regional Provident Fund Commissioners and Officers in charge of Sub-Regional Offices have been directed to depute the area Provident Fund Inspectors to the establishments for obtaining the wanting forms like Form 9, Form 5, Form 2, Form 3A/6A and Form 10 as and when necessary. In other words, they are required to maintain a bridge between the office of the RPFC or the Sub-Regional Office and the establishment concerned for expeditious settlement of claims.
- (4) A system of personal hearing of grievances of the members and the subscribers in the Central/Regional/Sub-Regional Offices, which was introduced in August, 1979 has been continued. According to this, the Central Provident Fund Commissioner hears the grievances every Friday in the Central Office and the Regional Commissioners, in respect of their areas on different specific days in a week. The gist of the grievance is recorded and vigorously followed up till it is fully redressed. As on 31.3.1981, 11059 number of grievances have been heard by the CPFC/RPFCs/Officers-in-charges, Sub-Regional Offices and out of them 9,860 numbers of grievances have been positively redressed. As per the decision of the Central Board of Trustees, all RPFCs/Officers-in-charges of Sub-Regional Offices have been directed to spare at least one hour every day to hear the grievances of the subscribers. This has been done to establish a close link between the Regional/Sub-Regional Offices and the subscribers.
- (5) The Central Board of Trustees appointed a Committee in February, 1978 to simplify the forms and procedures obtaining in the Manual of Accounting Procedure for settlement of claims, sanction of advances, transfer of provident fund accumulations, issue of annual statement of accounts, etc. The Committee, after several sittings during the year under report, completed its work and submitted its report to the Chairman on 25th August, 1980. The Report was placed before the CBT in their 86th meeting held on the 13/14th October, 1980 and the recommendations of the Committee have been approved with certain minor modifications. The recommendations of the Committee which require amendment of the Scheme provisions have been forwarded to Government for acceptance. The decisions/recommendations of the Committee which do not involve amendment of the Scheme provisions have already been implemented by the Organisation.

Transfer of Provident Fund accounts :

11.7 When a member leaves service in one establishment and obtains reemployment in another establishment, whether exempted or unexempted in the same region or in another region, he is required to apply for transfer of his Provident Fund Account to the Regional Provident Fund Commissioner in the prescribed form. In case, a member has obtained reemployment in an unexempted establishment in the same region, his old Account is closed and a new Account is opened under the Code Number of the new establishment. This does not, however, involve the actual transfer of his Provident Fund accumulations. However, the following cases of transfer of Provident Fund Accounts necessitate the actual transfer of the Provident Fund accumulations with interest thereon :—

- (i) In case of reemployment in an establishment, whether exempted or unexempted, in another region.
- (ii) In case of reemployment in an exempted establishment in the same region.

(iii) In case of leaving service in an exempted establishment and reemployment in an unexempted establishment.

(iv) In case of reemployment in an establishment not covered under the Act.

11.8. During the year 1980-81, a total number of 93,009 accounts were transferred. As on 31.3.1981, 20,509 transfer applications were pending in the Regional Offices. Details of the Provident Fund Accounts transferred and pending as on 31.3.1981 are given in the following table :

TABLE XVIII

	<i>No. of Provident Fund Accounts transferred</i>	<i>No. of transfer applications pending as on 31.3.1981</i>
(1) Cases involving actual transfer of provident fund accumulations also	39,079 (30,728)	6,649 (10,543)
(2) Cases not involving actual transfer of P.F. accumulations	53,930 (41,752)	13,860 (15,353)
TOTAL	93,009 (72,480)	20,509 (25,896)

N.B. Figures in brackets indicate the corresponding position during the year 1979-80.

11.9 Regionwise break-up of the pending applications for transfer of Provident Fund Accounts/ accumulations as on 31.3.1981 is given in the table below :

TABLE XIX

<i>S. No.</i>	<i>Region</i>	<i>For less than one month</i>	<i>Between 1-3 months</i>	<i>Between 3-6 months</i>	<i>Bet-ween 6-9 months</i>	<i>Bet-ween 9-12 months</i>	<i>Over one year</i>	<i>Total</i>
1.	Andhra Pradesh	175	74	71	—	—	—	320
2.	N.E. Region	110	40	—	—	—	—	150
3.	Bihar	25	20	—	—	—	—	45
4.	Delhi	91	—	—	—	—	—	91
5.	Gujarat	1,466	441	60	—	—	—	1,967
6.	Karnataka	693	120	—	—	—	—	813
7.	Kerala	874	205	28	—	—	—	1,107
8.	Madhya Pradesh	422	246	—	—	—	—	668
9.	Maharashtra	2,645	40	—	—	—	—	2,685
10.	Orissa	45	43	2	—	—	—	90
11.	Punjab	324	133	5	—	—	—	462
12.	Rajasthan	221	166	20	18	16	70	511
13.	Tamil Nadu	3,227	1,687	112	5	—	—	5,031
14.	Uttar Pradesh	403	878	1,418	339	23	2618	5,679
15.	West Bengal	379	220	131	95	37	28	890
	Total	11,100	4,313	1,847	457	76	2,716	20,509

12.1 For rendering better service in this behalf the following instructions have been issued to the Regional Provident Fund Commissioners :

(a) That as soon as the Provident Fund accumulations of a member are transferred from one region to another, an intimation is sent to him simultaneously with the transfer.

(b) On receipt of the amount of Provident Fund accumulations, the transferee Regional Office immediately credits the amount to the member's account and an intimation is sent to the member confirming that the amount has been credited to his account.

Payment of non-refundable advances to members :

13.1 One of the objectives of any Social Security scheme is to guarantee protection to workers in situations when they are unable to work because of illness, accident, invalidity, old age or to provide funds to enable them to discharge their family responsibilities like marriage of dependent sister/brother, daughter/son or higher education of children or construction of dwelling houses, etc. The Organisation has come to the rescue of the members in the eventualities referred to above, by sanctioning non-refundable advances to them to meet their needs and obligations as per the procedures laid down in the Scheme. Number of advances sanctioned under the Scheme for various purposes is given in the table below :

TABLE XX

(Rs. in lakhs)

S. No.	Purpose of advance	No. of cases		Amount paid	
		1979-80	1980-81	1979-80	1980-81
1.	Financing of Life Insurance Policies	45,883	42,131	89.48	81.93
2.	House building, etc.	15,783	20,990	497.63	710.71
3.	During temporary closure of estts.	14,458	11,937	90.83	75.98
4.	Illness of members/ family members	5,489	6,740	58.28	76.98
5.	Members own marriage or for the marriage of his/her dependent sister/brother or daughter/son/and post matriculation education of children	46,788	59,629	787.92	1,109.22
6.	Damage to movable and immovable property of members due to calamity of exceptional nature	44,194	14,065	181.67	58.48
7.	Cut in supply of electricity to the factory/estt.	403	2,103	1.92	7.94
Total		1,72,998	1,57,595	1,707.73	2,121.24

13.2 Advances sanctioned and amount paid during the last six years are also given in table below :

TABLE XXI

<i>Year</i>	<i>Advances sanctioned (in lakhs)</i>	<i>Amount involved (Rs. in crores)</i>
1975-76	1.75	11.71
1976-77	2.09	13.27
1977-78	2.23	16.16
1978-79	1.75	15.20
1979-80	1.73	17.08
1980-81	1.58	21.21
Progressive total upto 31.3.1981	30.52	149.19

13.3 5,292 applications for grant of various types of advances were pending in the Regional Offices as on 31.3.1981. Regionwise breakup of these pending applications is given in the table below :

TABLE XXII

<i>S. No.</i>	<i>Region</i>	<i>For less than one month</i>	<i>Between one to three months</i>	<i>Between three to six months</i>	<i>Total</i>
1.	Andhra Pradesh	321	—	—	321
2.	N.E. Region	8	25	—	33
3.	Bihar	94	—	—	94
4.	Delhi	16	—	—	16
5.	Gujarat	233	3	—	236
6.	Karnataka	108	—	—	108
7.	Kerala	1130	138	—	1268
8.	Madhya Pradesh	268	93	—	361
9.	Maharashtra	276	—	—	276
10.	Orissa	275	10	—	285
11.	Punjab	114	—	—	114
12.	Rajasthan	5	—	—	5
13.	Tamil Nadu	978	434	—	1412
14.	Uttar Pradesh	351	118	4	473
15.	West Bengal	160	130	—	290
Total		4,337	951	4	5,292

Issue of Annual Statements of Accounts :

14.1 The Scheme provides for the issue of Annual statements of accounts to the Employees' Provident Fund members at the end of every financial year, indicating the amount to his credit. The members may satisfy themselves about the correctness of the figures in the statements and bring to the notice of the Regional Commissioners any error therein within six months of their receipt. It is an article of faith of a member of the fund in the Organisation that the member's account slips must be issued to him by the Organisation within specified time limit.

14.2 During the year under report 68.66 lakhs of Annual statement of accounts were issued. The regionwise details of the statements issued and the balance outstanding could be seen in the following tables :

TABLE—XXIII

STATEMENT SHOWING THE REGION-WISE BREAK-UP OF ISSUE OF ANNUAL STATEMENT OF ACCOUNTS

Region	A/cs. issued during the year 1977-78			A/cs. issued during the year 1978-79			A/cs. issued during the year 1979-80			A/cs. issued during the year 1980-81		
	A/cs. issued upto 75-76	A/cs. issued for 76-77	Total	A/cs. issued upto 76-77	A/cs. issued for 77-78	Total	A/cs. issued upto 77-78	A/cs. issued for 78-79	Total	A/cs. issued upto 78-79	A/cs. issued for 79-80	Total
AP	—	413056	413056	—	505766	505766	9489	478094	487583	77862	477698 ✓	555560
NER	21257	20226	41483	—	9087	9087	25732	12030	37762	29739	10470 ✓	40209
BR	62576	93877	156453	47214	66770	113984	91105	100124	191229	65338	93452 ✓	158790
DL	—	163595	163595	—	133761	133761	5448	145616	151064	16566	179187 ✓	195753
GJ	39983	342840	382823	26302	426213	452515	1540	439649	441189	1822	437179 ✓	439001
KN	—	256326	256326	20529	254445	274974	51565	332049	383614	87807	288316 ✓	376123
KR	6982	270661	277643	92142	283942	376084	92947	289079	382026	221695	399881 ✓	621576
MP	—	221000	221000	—	278000	278000	—	320129	320129	—	340374 ✓	340374
MH	13632	1060648	1074280	135798	732020	867818	515844	187806	703650	912326	65388 ✓	977714
OR	—	125067	125067	14092	101095	115187	32998	87182	120180	76845	98972 ✓	175817
PB	16933	173828	190761	45434	203842	249276	34357	242587	276944	20955	179355	200310
HR	23604	161783	185387	21376	187351	208727	11371	200831	212202	9743	180830 ✓	190573
HP	4073	20739	24812	1953	14882	16835	5385	16099	21484	3416	16788 ✓	20204
CH	1004	16479	17483	3351	15828	19179	8451	21738	30189	1265	20699 ✓	21964
RJ	—	118550	118550	—	133092	133092	14594	106748	121342	55399	120582 ✓	175981
TN	8775	642104	650879	59785	218643	278428	589818	675505	1265323	261216	597006 ✓	858222
UP	145589	420440	566029	527308	247930	775238	343216	383976	727192	661303	158514 ✓	819822
WB	518866	183337	702203	498586	39733	538319	507559	27140	534699	686093	11568	697661
Total	869274	4704556	5567830	1493870	3852400	5346270	2341419	4066382	6407801	3189390	3676264 ✓	6865654

TOTAL—XXIV

STATEMENT SHOWING THE DETAILS OF ANNUAL STATEMENT OF ACCOUNTS WHICH WERE PENDING FOR ISSUE
ON 31.3.1981

Region	1968-69	1969-70	1970-71	1971-72	1972-73	1973-74	1974-75	1975-76	1976-77	1977-78	1978-79	1979-80	Total
A.P.	—	—	—	—	—	—	—	—	—	—	800	10937 ✓	11737
NER	—	—	—	—	—	—	—	—	26695	10319	24706	48838 ✓	110558
BR	2999	3409	4309	4438	5174	7624	8766	16693	36947	54149	81805	114618 ✓	340831
DL	—	—	—	—	—	—	—	—	—	—	844	9722 ✓	10566
GJ	—	—	—	—	—	—	—	—	—	—	—	9559 ✓	9559
KN	—	—	—	—	—	—	—	—	216	324	5200	131615 ✓	137355
KR	—	—	—	—	—	—	—	—	71	15826	35626	107006 ✓	158529
MP	—	—	—	—	—	—	—	—	—	—	—	10306 ✓	10306
MH	—	—	—	—	—	—	—	—	13496	98118	494912	1643894 ✓	2250420
OR	—	—	—	—	—	—	—	—	876	10480	23362	87869 ✓	122587
PB	—	—	—	—	—	—	—	—	—	1581	19457	143180	164218
HR	—	—	—	—	—	—	—	—	—	841	7679	52510 ✓	61030
HP	—	—	—	—	—	—	—	—	—	—	148	3806 ✓	3954
CH	—	—	—	—	—	—	—	—	—	—	1466	17265 ✓	18731
RJ	—	—	—	—	—	—	—	—	—	—	20473	69385 ✓	89858
TN	—	—	—	—	—	—	—	—	—	—	123414	402082 ✓	525496
UP	189	416	1370	1560	4697	6292	7209	8082	9823	64419	139527	661480 ✓	905064
WB	217	1602	2295	3336	4661	5046	6163	7994	96574	437566	889583	1094218	2549255
Total	3305	5427	7974	9334	14532	18962	22138	32769	184698	693623	1869002	4618290	7480054

* The R.P.F.C., Bihar has reviewed the pendency of the annual statements of accounts and furnished the revised figures.

14.3 The pendency in respect of West Bengal, Maharashtra and Uttar Pradesh being heavy, a review of the same was conducted which indicated that in respect of West Bengal region there were large number of establishments which remained closed or were under liquidation and it was not possible to obtain the annual contribution statements from the employer of the establishment in shape of returns No. 3A/6A. In respect of such regions where issue of Annual statements of accounts was delayed due to non-receipt of returns No. 3A/6A, special efforts were made to obtain the wanting returns through the area Provident Fund Inspectors by personally contacting the establishments concerned. Besides, the performance of each Regional/Sub-Regional Office was being reviewed through submission of weekly reports and periodical instructions were issued exhorting the officers and staff to rise to the occasion and made special efforts to clear the heavy backlog of pending accounts by accelerating the pace of issue and devoting some extra hours.

Forfeiture Account :

15.1 Where the employer's contribution is not payable to the member in full in certain contingencies, the unpaid portion together with interest thereon is credited to the Forfeiture Account of the Fund. A sum of Rs. 398.94 lakhs was forfeited during the year as against Rs. 343.22 lakhs forfeited during the year 1979-80. The total amount received in this account till the end of March, 1981 was Rs. 3135.18 lakhs and the details of this Account are as follows :

TABLE XXV

	(Rs. in lakhs)	
		3135.18
(i) Amount forfeited up to 31.3.1981 :		
(ii) Amount utilised :		
(a) On account of Money Order Commission and grant of financial assistance to outgoing members where inadequate deposits has been made by the employers prior to the Special Reserve Fund	12.04	
(b) On account of transfer to the Special Reserve Fund	110.00	
(c) On account of transfer to the Death Relief Fund	117.00	239.04
(iii) Net amount available in the Reserve and Forfeiture Account as on 31.3.1981		2896.14

Special Reserve Fund :

16.1 A Special Reserve Fund was created on the 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 contribution, 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.

16.2 As on 31.3.1981, Rs. 110 lakhs were transferred to the Special Reserve Fund from the Reserve and Forfeiture Account, as per requirement, to enable payment of employees' share of contributions in arrears. During the year, a sum of Rs. 2.84 lakhs was paid out of Special Reserve Fund.

bringing the total amount paid, since its inception, to Rs. 134.47 lakhs. The amount recovered from the employers against these payments was Rs. 40.51 lakhs as on 31.3.1981, of which an amount of Rs. 0.14 lakh was recovered during the year 1980-81. At the end of the year under report, there was a balance of Rs. 16.04 lakhs in the Special Reserve Fund.

Death Relief Fund :

17.1 The Death Relief Fund was set up in 1964 in order to afford financial assistance to the nominees/heirs of the deceased members of unexempted establishments, whose monthly pay did not exceed Rs. 500/- at the time of their death, so that a minimum lump sum of Rs. 500/- was assured to the nominees/heirs. The minimum assistance which was raised to Rs. 750/- with effect from 1st August, 1969, was subsequently raised to Rs. 1,000/- with effect from 5th January, 1978. In its 87 meeting held on 13/14th February, 1981, the CBT recommended that the wage limit for receipt of benefits from DRF and the quantum of benefit itself may be enhanced from Rs. 500/- to Rs. 1000/- and from Rs. 1000/- to Rs. 1250/- respectively.

17.2 Assistance from out of the Death Relief Fund would, however, not be available to the nominees/heirs of the deceased members who, after having once received full retirement benefits, secured reemployment in a covered establishment. The Death Relief Fund is fed by periodical transfer of amount from the Reserve and Forfeiture Account. Out of a total sum of Rs. 117.00 lakhs transferred so far to the D.R.F., as per requirement, a sum of Rs. 117.15 lakhs had been paid out of the Fund upto the end of March, 1981 leaving a minus balance of Rs. 0.15 lakhs pending formal approval from Government for further allotment of fund to the DRF. A sum of Rs. 7.42 lakhs was paid during this year in 1545 cases, as against Rs. 5.89 lakhs paid in 1,349 cases in 1979-80.

Employees' Family Pension Scheme, 1971 :

18.1 The Scheme came into force with effect from 1st March, 1971 and provides the following benefits :

(a) Family Pension :

Family Pension at the prescribed rates is payable if the member dies while in reckonable service before attaining the age of 60 years and he/she has contributed to the Family Pension Fund for not less than 2 years. By an amendment carried out in January, 1981 the quantum of minimum Family Pension of Rs. 40/- per month has been raised to Rs. 60/- per month effective from 1st March, 1980.

(b) Life Insurance :

A lump sum amount subject to maximum of Rs. 1000/- is payable as Life Assurance Benefit in the event of death of a member while in reckonable service, if he/she contributed to the Family Pension Fund for not less than 2 years. By an amendment carried out in January, 1981, the quantum of benefit of Life Assurance has been enhanced from Rs. 1000/- to Rs. 2000/- effective from 1st March, 1980.

(c) Retirement Benefits :

A lump sum amount subject to maximum of Rs. 4000/- is payable to the member of the Family Pension Fund as retirement benefit, on his/her attaining the age of 60 years, provided he/she had contributed to the Family Pension Fund for not less than two years.

(d) **Withdrawal Benefits :**

A lump sum amount is payable as withdrawal benefit, when the member leaves service for reasons other than death before attaining the age of 60 years, provided he/she had contributed to the Family Pension Fund for not less than 2 years. In case a member leaves service before completing 2 years of contribution to the Family Pension Fund, his/her own share of Family Pension Fund contribution with interest @ 5½% per annum is payable to him/her.

18.2 The Scheme is financed by diverting out of contributions to the Provident Fund, the employees' share of contribution at the rate of 1½% of their wages with an equal amount of employer's share. The Central Government also contributes to the Family Pension Fund at the same rate. The entire collections received on account of Family Pension Fund are being kept in the Public Account and interest at the rate of 5½% per annum is allowed thereon. The rate of interest has been raised to 7½% per annum with effect from 1.4.81. There were 59.65 lakhs members of the Family Pension Fund as on 31.3.1981. Since inception of the Scheme the following amount has been received in the accounts of the Family Pension Fund :

TABLE XXVI

(Rs. in crores)

Year	Family Pension Fund Contribution received			Government's share	Grand Total
	Exempted	Unexempted	Total		
1971-72	0.25	0.86	1.11	2.30	3.41
1972-73	1.51	4.63	6.14	3.00	9.14
1973-74	2.72	7.05	9.77	4.60	14.37
1974-75	5.10	10.34	15.44	5.01	20.45
1975-76	8.08	13.64	21.72	9.34	31.06
1976-77	10.57	16.86	27.43	12.37	39.80
1977-78	11.81	20.71	32.52	10.80	43.32
1978-79	13.94	25.55	39.49	12.80	52.29
1979-80	17.25	30.08	47.34	20.10	67.44
1980-81	20.47	41.65	62.11	24.00	86.12
Total	91.70	171.38	263.08	104.32	367.40

18.3 A sum of Rs. 205.88 lakhs was in arrears towards Family Pension contribution to be recovered from the defaulting employers as on 31.3.1981. For the recovery of the arrear dues, 2,304 prosecution cases under Section 14 and 3,410 Revenue Recovery Certificates under Section 8 of the Act involving Rs. 96.05 lakhs were filed during the year under report. 1,496 prosecution cases were decided during the year leaving 7,077 cases pending as on 31.3.1981. A sum of Rs. 23.85 lakhs in respect of 1,309 Revenue Recovery Certificates was recovered during the year. As on 31.3.1981, 7,881 Revenue Recovery Certificates for Rs. 181.24 lakhs were pending execution.

18.4 During the year under report, 1,74,046 Family Pension claims were settled, involving an amount of Rs. 301.18 lakhs against 1,36,614 claims involving a sum of Rs. 209.84 lakhs as in the preceding year. The following table shows the number of claims settled and the amount authorised for payment since inception of the Scheme.

TABLE XXVII

<i>Year</i>	<i>No. of claims settled</i>	<i>Amount authorised for payment (Rs. in lakhs)</i>
1970-71	—	—
1971-72	112	0.01
1972-73	2,494	0.51
1973-74	10,669	2.14
1974-75	13,488	7.08
1975-76	15,382	20.29
1976-77	60,603	77.10
1977-78	91,810	127.19
1978-79	1,13,164	167.79
1979-80	1,36,614	209.84 ✓
1980-81	1,74,046	301.18 ✓
Total	6,18,382	913.13

18.5 The categorywise particulars of the Family Pension claims settled in 1980-81 are given in the following table :

TABLE XXVIII

<i>S. No.</i>	<i>Category</i>	<i>No. of claims settled</i>	<i>Amount authorised for payment (Rs. in lakhs)</i>
1.	Family Pension benefit	2,334	4.34
2.	Life Assurance benefit	1,701	13.57
3.	Retirement benefit	2,211	11.02
4.	Withdrawal	99,208	219.21
5.	Refunds	68,592	53.04
Total		1,74,046	301.18

18.6 *Range of Family Pension Benefit (Progressive)*

	<i>No. of cases</i>
(a) UPto Rs. 40/- per month	3,372
(b) Rs. 41/- to Rs. 60/- per month	2,111
(c) Rs. 61/- and above per month	1,175

18.7 Regionwise analysis of the Family Pension claims which were outstanding as on 31.3.1981 is given in the table below:

Regionwise analysis of outstanding F.P. claims as at the end of 31.3.1981.

TABLE XXIX

S. No.	Region	For less than one month	Between 1-3 months	Between 3-6 months	Between 6-9 months	Between 9-12 months	Over a year	Total
1.	A. Pradesh	493	138	68	—	—	—	699
2.	N.E. Region	19	269	186	104	—	—	578
3.	Bihar	197	17	257	—	—	—	471
4.	Delhi	393	94	36	10	—	—	533
5.	Gujarat	1,298	222	1	—	—	—	1,521
6.	Karnataka	1,187	124	—	—	—	—	1,311
7.	Kerala	936	1,130	537	90	16	23	2,732
8.	Madhya Pradesh	740	14	—	—	—	—	754
9.	Maharashtra	3,579	1,727	531	609	543	—	6,989
10.	Orissa	221	24	5	—	—	—	250
11.	Punjab	1,089	432	27	—	—	—	1,548
12.	Rajasthan	182	103	25	9	—	—	319
13.	Tamil Nadu	3,078	2,166	488	—	—	—	5,732
14.	Uttar Pradesh	720	958	673	377	382	284	3,394
15.	West Bengal	—	—	2,017	—	—	—	2,017
Total		14,132	7,418	4,851	1,199	941	307	28,848

18.8 With a view to simplifying the existing procedure for calculation of benefits as also for liberalisation/enhancement of terminal benefits available under the Scheme, the following proposals/suggestions have been made by the Organisation :

- Provision of Family Pension benefits in the event of the death of the member during the period of his membership (Instead of during the period of reckonable service, as at present).
- Enhancement of the minimum and maximum amount of monthly Family Pension in all the pay ranges without any factor (Minimum amount of monthly Family Pension has been enhanced from Rs. 40/- to Rs. 60/- with effect from 1.3.1980 by an amendment issued in 1980-81).
- Enhancement of the Life Assurance benefits from Rs. 1,000 to Rs. 2,000 without applying any factor. (The Family Pension Scheme has been suitably amended in 1980-81 with retrospective effect from 1.3.1980 enhancing the quantum of benefit to Rs. 2,000/-).
- Reduction of the retirement age from 60 to 55 or 58 years and enhancement of the amount of Retirement Benefit from Rs. 4,000 to Rs. 8,000/-
- Amount of Withdrawal Benefit should not in any event be less than both the shares of Family Pension Fund contribution with interest thereon.

(f) Dispensing with the stipulation of 2 years' membership and contribution for the purpose of Family Pension benefits in case of death.

(g) Including dependent parents as family members in the case of bachelor-members.

As these proposals call for a thorough actuarial valuation, they are under the consideration of the Insurance Wing of the Ministry of Finance. To aid the actuarial evaluation, necessary statistical data in the format devised by the Insurance Wing, were being collected from the Regional Offices. Pending the completion of such actuarial valuation, the Insurance Wing of the Ministry of Finance have agreed for the modification of the Scheme to the extent indicated below :—

- (i) Enhancement of the minimum amount of monthly Family Pension from Rs. 40/- to Rs. 60/- (which has been given effect to from 1.3.80, by suitable amendment of the Scheme).
- (ii) Enhancement of the amount of the lump sum Life Assurance Benefits from Rs. 1000/- to Rs. 2,000/- (which has also been given effect to from 1.3.80, by suitable amendment of the Scheme).
- (iii) Enhancement of the monthly Family Pension in the various pay-ranges.
- (iv) Reduction of the stipulated period of two years' membership and contribution, for entitlement to the above benefits, to one years' membership.
- (v) Elimination of the provision for the application of the entry age factor for calculation of the monthly Family Pension and the Life Assurance Benefit, subject to certain modifications in the calculation of the quantum of Retirement Benefit and Withdrawal Benefit.
- (vi) Certain supplementary additions to the Family Pension every year to those who will draw family pension from 1.4.1981 onwards and certain adhoc increases to the existing pensioners, i.e., those who started drawing Family Pension before 1.4.1981.

Employees' Deposit-linked Insurance Scheme, 1976 :

✓ 19.1 The Employees' Deposit-linked Insurance Scheme, 1976, framed under the Act, is applicable to all employees who are members of the Provident Fund, both in the exempted and unexempted establishments. The Scheme came into force with effect from 1.8.1976. The Scheme provides that on the death of an employee, who is a member of the Provident Fund, his nominee/heir, entitled to receive the Provident Fund accumulations, shall be paid an additional amount as Assurance benefit, equal to the average balance in the Provident Fund account of the deceased during the preceding three years but not exceeding Rs. 10,000 provided that if the death of an employee occurs on or after the first day of August, 1979, the average balance in the account of the deceased employee should not be less than Rs. 1,000/- during the preceding three years or during the period of his membership, whichever is less.

19.2 The employees covered under this Scheme are not required to make any contribution to get this additional benefit. Employers are, however, required to pay contributions to the Insurance Fund at the rate of 0.5% of the pay of the employees, who are members of Provident Fund. The Central Government also contributes to the Insurance Fund an amount representing one half of the employers' contribution. In addition, both the employers and the Central Government pay towards Administrative Charges at the rate of 0.1% and 0.05% of the pay of employees. In addition, the employers of exempted establishments pay inspection charges @ 0.02% of the pay of the employees for administering this Scheme.

19.3 The details of Contribution and Administrative charges received under this Scheme since its inception are given in the table below :

TABLE XXX

(Rupees in crores)

Year	Contributions received		Total	Administrative Charges received		Total
	Employers' share	Govt.'s share		Employers' share	Govt.'s share	
1976-77	7.18	4.75	11.93	1.51	0.95	2.46
1977-78	15.60	6.96	22.56	3.31	1.50	4.81
1978-79	16.13	7.31	23.44	3.52	1.55	5.07
1979-80	16.75	7.50	24.25	3.77	1.55	5.32
1980-81	17.98	8.00	25.98	4.39	1.95	6.34
Total :	73.64	34.52	108.16	16.50	7.50	24.00

19.4 The Insurance Fund Contributions received by the Provident Fund Organisation are to be invested, after making payment due on account of benefits payable under Employees' Deposit-linked Insurance Scheme, according to the pattern laid-down by the Govt. of India. The pattern of investment prescribed by the Government of India for the year 1980-81 was as follows :—

- | | |
|--|---------------------|
| (i) Government securities as defined in clause (2) of Section 2 of the Public Debt Act, 1944 (18 of 1944) created and issued by the Central Govt. | Not less than 25% |
| (ii) Govt. Securities as defined in clause (2) of Section 2 of the Public Debt Act, 1944 (18 of 1944) created and issued by any State Govt. | } Not less than 25% |
| (iii) Any other negotiable securities or bonds, the principal whereof and interest whereon is fully and unconditionally guaranteed by the Central Govt. or any State Govt. | |
| (iv) 7-Year* National Savings Certificates (Second Issue and Third Issue) or Post Office Time Deposits | Not exceeding 30% |
| (v) Special Deposit Scheme introduced by the Notification of the Govt. of India in the Ministry of Finance (Dep'tt. of Economic Affairs) No. F. 16(1)/PD/75 dated 30-6-75 | Not exceeding 20% |

All re-investment of the Insurance Fund accumulations were made according to the above pattern.

19.5 The proposal of the Central Government to keep the Insurance Fund moneys in Public Account of the Government of India, as in the case of Family Pension Fund and payment of interest @ 7½% per annum, both on the Insurance Fund and Family Pension Fund moneys as approved by the C.B.T. was under consideration of the Government. (The rate of interest has been raised to 7½% per annum with effect from 1.4.1981).

19.6 The total investment of Employees' Deposit-linked Insurance Contributions as on 31st March, 1981 was Rs. 101.77 crores. The investment made in the year 1980-81 was 29.28 crores (21.90 crores + 7.38 crores redeemed and reinvested) as against 23.09 crores made during the year 1979-80. An analysis of the investment made during the year is given below :

(Rupees in crores)

(a) Central Government securities	5.57
(b) State Government and State or Central Government guaranteed securities	5.61
(c) Post Office Time Deposits and Small Savings	10.53
(d) Special Deposits	7.57
	29.28
Less redemption proceeds (—)	7.38
	21.90

Return on investment :

19.7 During the year, interest was earned to the extent of Rs.6.75 crores from the investments.

19.8 During the year 1980-81 a sum of Rs. 551.45 lakhs in respect of 9,366 claims was authorised for payment as against Rs. 433.66 lakhs authorised for payment in respect of 7,157 claims in 1979-80. The average amount authorised for payment per claim settled during the year amounted to Rs. 5,995. The regionwise position of the claims settled and amount authorised for payment during the year 1980-81 with the corresponding figures for the year 1979-80 is given in the table below :

TABLE XXXI

(Rupees in lakhs)

S. No.	Region	No. of claims settled		Amount authorised for payment	
		During 1979-80	During 1980-81	During 1979-80	During 1980-81
1.	Andhra Pradesh	203	495	11.41	26.52
2.	N.E. Region	35	22	2.68	1.44
3.	Bihar	16	30	1.00	2.27
4.	Delhi	259	532	15.49	32.95
5.	Gujarat	1,418	1,136	71.70	70.60
6.	Karnataka	535	566	27.23	32.70
7.	Kerala	415	481	18.97	23.10
8.	Madhya Pradesh	428	340	25.31	23.50
9.	Maharashtra	1,885	2,294	143.88	168.30
10.	Orissa	126	65	7.09	2.35
11.	Punjab	69	94	3.91	5.96
12.	Rajasthan	90	121	3.52	3.95
13.	Tamil Nadu	901	1,946	42.98	67.02
14.	Uttar Pradesh	158	314	8.89	20.99
15.	West Bengal	619	930	49.60	69.80
Total		7,157	9,366	433.66	551.45

19.9 Region-wise analysis of the Employee's Deposit-linked Insurance claims which were outstanding as on 31.3.1981 is given in the Table below :

TABLE XXXII

S. No.	Region	For less than one month	Between 1 to 3 months	Between 3 to 6 months	Between 6 to 9 months	Between 9 to 12 months	Over one year	Total
1.	Andhra Pradesh	87	67	14	—	—	—	168
2.	N.E. Region	18	5	25	—	—	—	48
3.	Bihar	12	5	—	—	—	—	17
4.	Delhi	122	—	—	—	—	—	122
5.	Gujarat	127	29	—	—	—	—	156
6.	Karnataka	24	55	—	—	—	—	79
7.	Kerala	96	112	42	9	—	—	259
8.	Madhya Pradesh	42	30	12	—	—	—	84
9.	Maharashtra	323	528	339	499	206	5	1,900
10.	Orissa	24	10	10	—	—	—	44
11.	Punjab	48	46	—	—	—	—	94
12.	Rajasthan	17	46	10	1	8	2	84
13.	Tamil Nadu	444	142	—	—	—	—	586
14.	Uttar Pradesh	172	185	32	—	—	—	389
15.	West Bengal	151	58	—	—	—	—	209
Total :		1,707	1,318	484	509	214	7	4,239

Details of Employees' Deposit-linked Insurance beneficiaries (Progressive) :

	Number
(i) Above Rs. 1,000/- but less than Rs. 5,000/-	8,445
(ii) Above Rs. 5,000/- but less than Rs. 10,000/-	7,436
(iii) Rs. 10,000/-	6,044

20.1 A sum of Rs. 92.68 lakhs was in arrears towards Employees' Deposit-linked Insurance contributions to be recovered from the defaulting employers as on 31.3.1981. For the recovery of the arrear dues 2,218 prosecution cases under Section 14 of the Act and 2,989 Revenue Recovery Certificates were filed during the year under report. The amount involved in the Revenue Recovery Certificates filed during the year was Rs. 21.86 lakhs. 596 prosecution cases were decided during the year. A sum of Rs. 7.21 lakhs in respect of 1,175 Revenue Recovery Certificates was recovered during the year.

20.2 Section 17(2A) of the Act provides for grant of exemption to an establishment from the operation of all or any of the provisions of the Insurance Scheme on fulfilment of certain terms and conditions. These are :

- (i) the employees of the establishment, without making any contribution or payment of premium, are in enjoyment of benefits in the nature of life insurance, and
- (ii) the benefits are more favourable to such employees than the benefits admissible under the statutory scheme.

The Central Government is the appropriate Government for grant of exemption.

20.3 The Central Government has notified exemption to 71 establishments from the operation of the Employees' Deposit-linked Insurance Scheme, 1976 during 1980-81. The number of establishments which have so far been granted exemption from the operation of Employees' Deposit-linked Insurance Scheme as on 31.3.1981 stood at 85, as the benefits available to the employees of these

establishments under Insurance Scheme of the establishments were found to be more favourable to them. The examination of the Insurance Scheme of many other establishments which have applied for grant of exemption was in progress and in the meanwhile the Regional Provident Fund Commissioners have granted relaxation order in favour of 374 such establishments upto 31.3.1981.

20.4 Liberalisation of Employees' Deposit-linked Insurance Scheme :

The following recommendations for liberalisation of the scheme have been made to the Government :—

- (i) the condition of minimum average balance of Rs. 1,000/- for entitlement to the Assurance benefit be dispensed with ;
- (ii) when the condition is dispensed with or relaxed the minimum amount of Rs. 1,000/- be granted as Assurance benefit ;
- (iii) the maximum amount of Assurance benefit be enhanced from the present limit of Rs. 10,000/- to Rs. 15,000/- ;
- (iv) The quantum of assurance benefit be related to the last 10 months' average balance in the Provident Fund instead of 36 months' average balance; and
- (v) The condition of death while in service should be dispensed with and the benefit should be allowed in cases of death during membership.

Additional Emoluments (Compulsory Deposit) Act, 1974

21.1 The Employees' Provident Fund Organisation is entrusted with the administration of the Additional Emoluments (Compulsory Deposit) Scheme, 1974 for employees other than the employees of Govt. and Local Authorities. The number of Specified Authority-wise (i.e., employers) Accounts maintained by the Regional Provident Fund Offices of the Organisation is as under :—

Additional Wages	17,865
Additional DA (Old) Accounts	63,601
Additional DA (New) Accounts	66,570

21.2 Deposits received upto the 31st March, 1981 on account of Additional Wages and Additional Dearness Allowances (Old) and (New) Accounts are as under :

	(Rs. in crores)
Additional Wages	52.58
Additional DA (Old) Accounts	502.23
Additional DA (New) Accounts	220.52
Total	775.33

21.3 Compulsory Deposit amounts in the three Deposit Accounts are repayable in five annual instalments in cash in respect of Additional Wages and Additional DA (Old) and by crediting to the Provident Fund Accounts of the employees in respect of Additional DA (New) Account. Premature repayment on grounds of extreme hardship to the employees of Compulsory Deposit Account is also admissible.

Govt. of India delegated powers to sanction premature repayment to the Central Provident Fund Commissioner. During the year 1980-81 an amount of Rs. 429.67 lakhs on account of principal amount and Rs. 110.54 lakhs on account of interest was sanctioned to 2,22,020 employees on grounds of extreme hardship caused by illness or floods and cyclones.

21.4 Details of deposits due for repayment in instalments and the amount repaid towards these instalments upto 31.3.81 is given below :—

TABLE XXXIII

(Rs. in crores)

<i>Accounts</i>	<i>Due for repayment</i>	<i>Amount repaid</i>
Additional Wages		
1st instalment	9.15	8.93
2nd instalment	9.84	9.50
3rd instalment	9.13	8.89
4th instalment	8.41	8.20
5th instalment	7.35	6.77
Total	43.88	42.34
Additional DA (Old)		
1st instalment	95.27	96.05
2nd instalment	93.83	93.35
3rd instalment	84.28	83.05
4th instalment	54.92	51.72
5th instalment	52.83	48.80
Total	382.13	372.97
Additional DA (New)		
1st instalment	30.66	24.53
2nd instalment	26.33	18.29
3rd instalment	28.19	16.92
Total :	85.18	59.74

21.5 A total number of 78 Specified Authorities were in default of compulsory deposits to the tune of Rs. 142.08 lakhs at the beginning of the year. As a result of concerted efforts made by the Organisation an amount of Rs. 7.62 lakhs was recovered during the year 1980-81, leaving a balance of Rs. 134.46 lakhs from 73 Specified Authorities. Legal action by way of prosecution under Sections 14

and 15 of the AE(CD) Act, 1974 against 48 Specified Authorities involving an amount of Rs. 127.81 lakhs and Revenue Recovery proceedings under Section 23 of the Act against 53 Specified Authorities involving an amount of Rs. 112.57 lakhs has been taken. Apart from the above, complaints under Section 406/409 I.P.C. were also filed against 16 Specified Authorities.

21.6 A sum of Rs. 108.33 lakhs has been recovered as penal interest on belated remittances by the Specified Authorities. A further amount of Rs. 192.69 lakhs has been levied as penal interest in 11,015 cases and is pending for recovery as on 31.3.1981. Instructions have been issued to the Regional Provident Fund Commissioners to review all the cases for levy of penal interest and to initiate prosecutions/revenue recovery proceedings to recover the amount of penal interest in remaining cases.

21.7 Compulsory Deposit amount is accounted for in Cash Book and separate Deposit-Account-wise ledgers in Form-I. These accounts are reconciled with the monthly accounts received from the Deposit Offices. In some regions, the reconciliation work is in arrears due to non-receipt of credit/debit scrolls and monthly statements of accounts from Deposit Offices. Instructions have been issued to the Regional Provident Fund Commissioners to take up the matter with local heads of the Banks concerned and bring the reconciliation work upto-date.

21.8 The last of the instalments of the Deposits will fall due on 6th July, 1982. The bulk of the amounts of instalments which fell due upto July 1980 have been repaid. Despite persistent efforts made by the Regional Provident Fund Commissioners, by personal contacts with the Specified Authorities and publicity through newspapers some of the establishments, generally smaller estts., have not submitted claims for the overdue amounts. As a result the repayment on account of the previous instalments could not be fully completed.

Administrative Account :

22.1 The Administrative and allied expenditure of the Employees' Provident Fund Organisation is met from the Administrative and Inspection Charges collected from the employers of unexempted and exempted establishments respectively and from the amount paid by the Central Government towards the expenses in connection with the administration of the Employees' Family Pension Scheme, 1971 and the Employees' Deposit-linked Insurance Scheme, 1976.

22.2 The year witnessed an increase of Rs. 241.10 lakhs in receipts and a sum of Rs. 193.62 lakhs in the payments over the previous year in respect of Employees' Provident Funds Scheme and Employees' Family Pension Scheme. The increase in receipts and in payments over the preceding year in respect of Employees' Deposit-linked Insurance Scheme was Rs. 106.02 lakhs and Rs. 8.03 lakhs respectively.

22.3 The increase in receipts was mainly due to coverage of additional establishments and increase in the membership of the covered establishments. The increase in payments was mainly due to the employment of additional staff.

22.4 The actuals of Receipts and Payments in Administration Accounts are given below :—

TABLE XXXIV

	(Rs. in lakhs)			
	<i>Under EPF & FPF Scheme</i>		<i>Under EDLI Scheme</i>	
	<i>1979-80</i>	<i>1980-81</i>	<i>1979-80</i>	<i>1980-81</i>
I. Receipts				
(a) Administrative & Inspection Charges	983.15	1,256.63	377.48	439.88
(b) Interest on Investment	59.68	25.03	25.80	25.20
(c) Damages	2.55	2.92	0.20	4.42
(d) Reimbursement of administrative expenses by the Govt. for Employees' Family Pension & EDLI Schemes	75.00	76.90	155.00	195.00
Total :	1,120.38	1,361.48	558.48	664.50
II. Payments :				
(a) Revenue	877.58	1,070.51	31.66	38.71
(b) Advances repayable	51.77	53.35	1.85	2.84
(c) Capital, Land and Buildings	43.00	42.11	0.08	0.07
Total :	972.35	1,165.97	33.59	41.62
III. Excess of Receipts over payments :	148.03	195.51	524.89	622.88

(The figures are provisional subject to audit)

Meeting of the Board :

23.1 During the year under report 5 meetings of the Board were held on the 12th May, 1980 (84th meeting) 15th July, 1980 (85th Meeting), 13th and 14th October, 1980 (86th Meeting), 13th and 14th February, 1981 (87th Meeting) and 1st March, 1981 (88th Meeting).

Regional Committees :

24.1 The Employees' Provident Funds Scheme provides for the setting up of a Regional Committee for each State to function under the control of the Central Board of Trustees. A Regional Committee shall advise the Central Board—

- (i) on such matters as the Central Board may refer to it from time to time; and
- (ii) generally, on all matters connected with the administration of the Scheme in the State and in particular, on—
 - (a) progress of recovery of Provident Fund contributions and other charges;
 - (b) expeditious disposal of prosecutions;

- (c) speedy settlement of claims;
- (d) annual rendering of accounts to members of the Fund; and
- (e) speedy sanction of advances.

24.2 During the year under report, the Regional Committees of the respective regions met and details of the meetings held are given below :

<i>S. No.</i>	<i>Region</i>	<i>No. of Meeting</i>	<i>Date of Meeting</i>
1.	Andhra Pradesh	19th Meeting	29.9.1980
		20th Meeting	24.3.1981
2.	N.E. Region	14th Meeting	9.5.1980
		15th Meeting	13.3.1981
3.	Bihar	35th Meeting	17.6.1980
		36th Meeting	25.11.1980
		37th Meeting	29.1.1981
4.	Delhi	19th Meeting	24.9.1980
		20th Meeting	25.3.1981
5.	Gujarat	29th Meeting	30.8.1980
		30th Meeting	27.2.1981
6.	Karnataka	21st Meeting	6.10.1980
		22nd Meeting	31.3.1981
7.	Kerala	28th Meeting	5.7.1980
		29th Meeting	17.10.1980
		30th Meeting	13.3.1981
8.	Madhya Pradesh	33rd Meeting	23.9.1980
		34th Meeting	28.3.1981
9.	Maharashtra	45th Meeting	11.8.1980
		46th Meeting	20.12.1980
10.	Orissa	19th Meeting	14.10.1980
11.	Punjab	25th Meeting	15.12.1980
		26th Meeting	19.3.1981
12.	Haryana	25th Meeting	26.9.1980
		26th Meeting	3.3.1981
13.	Himachal Pradesh	7th Meeting	15.11.1980
14.	Rajasthan	24th Meeting	18.8.1980
		25th Meeting	22.1.1981 & 16.2.1981
15.	Tamil Nadu	54th Meeting	21.4.1980
		55th Meeting	1.10.1980
		56th Meeting	9.12.1980
16.	Uttar Pradesh	41st Meeting	30.8.1980
		42nd Meeting	24.11.1980
		43rd Meeting	20.2.1981
17.	West Bengal	No Meeting was held during the year under report due to certain administrative difficulties—The reconstitution of the Regional Committee was awaited.	

24.3 A list containing the names and addresses of the Chairman of the various Regional Committees are given in APPENDIX 'B'.

Conference of the Regional Provident Fund Commissioners :

25.1 The 11th Conference of the Regional Provident Fund Commissioners was held for two days at Shram Shakti Bhawan, Committee Room (C-Wing) on 21st and 22nd July, 1980. Shri T. Anjaiah, the then Minister for Labour and Planning, inaugurated the Conference. He requested all Regional Provident Fund Commissioners to devote themselves to the primary task of rendering prompt and selfless service to all subscribers. This was the surest way, according to him, to improve the image of the Organisation, which has fallen in the eyes of the public. Addressing the Regional Provident Fund Commissioners, the Additional Secretary, Ministry of Labour and Chairman, C.B.T. asked them to keep on innovating new suggestions and ideas by which there can be a change in the quality of the functioning of the Organisation, which would make it more flexible and result-oriented. He also drew the pointed attention of the Regional Provident Fund Commissioners to some of the important areas like maintaining the Cable Books, upto-date compilation of the Employees' Provident Fund, Employees' Family Pension Fund and Employees' Deposit-linked Insurance Fund accounts for audit and certification within the scheduled time-frame, redressing the grievances of subscribers in time, etc. The Conference deliberated in all fifty three items and took several important decisions and made some useful recommendations to Government.

Sub-Committees of the Board :

26.1 The Committee on Structure of the Employees' Provident Fund Organisation and Conditions of Service of its employees, set up by the Board at its 78th meeting held on 5-2-1979, submitted its final report on the 1st April, 1980. The report was adopted by the Board with certain modifications at its 85th meeting held on the 15th July, 1980. All the recommendations contained in the report were processed during 1980-81. Government's decisions have been obtained on a number of recommendations and implemented. Some of the important recommendations implemented are :—

- (i) Grant of House Rent Allowance @ 25% of pay to all employees of the Organisation posted at Hyderabad and other 'A' Class Cities.
- (ii) Encashment of earned leave upto a maximum period of 30 days at a time once in two years.
- (iii) Payment of Washing Allowance at a higher rate of Rs. 6/- per month to Group D staff and Staff Car Drivers.
- (iv) Ad-hoc payment of 15 days' wages (Pay, D.A. and Additional D.A.) for the year 1979-80 pending finalisation of the Productivity-linked Bonus Scheme which is under consideration.

26.2 In respect of such recommendations which were under the jurisdiction of the Board, necessary orders have been issued for their implementation. Some of the important recommendations are :—

- (1) Provision of library facilities in the Central Office and Regional/Sub-Regional Offices.
- (2) Organising games, sports and cultural activities wherever Recreation Clubs exist and arranging of Inter-Regional Sport Meet.
- (3) Opening of canteens to be managed by the Staff Co-operative Societies.
- (4) Opening of Consumers' Co-operative Stores in all residential colonies of the Organisation.

- (5) A system of dialogue between the management (Central and Regional) and the employees so as to solve the problems across the table, etc.
- (6) Setting up of permanent Committees of the Board to consider important and complex issues.

26.3 The remaining recommendations having major financial implications have been referred to the Government and were under consideration of the Government.

26.4 The Central Board of Trustees at its 76th Meeting held on 19th May, 1978 appointed a Committee to simplify the forms and procedures obtaining in the Manual of Accounting Procedure for settlement of claims, sanction of advances, transfer of Provident Fund accumulations, issue of annual statement of accounts, etc. The Committee, after several sittings during the year under report, completed its work and submitted its report to the Chairman on 27th September, 1980. The report was placed before the C.B.T. in their 86th Meeting held on the 13th & 14th October, 1980 and the recommendations of the Committee have been approved with certain minor modifications. The recommendations of the Committee which require amendment of the Scheme provisions have been forwarded to Government for acceptance. The decisions/recommendations of the Committee which do not involve amendment of the Scheme provisions have already been implemented by the Organisation.

Permanent Committees of the Board :

27.1 The periodicity of the meetings of the Central Board of Trustees has not been laid down in the Employees' Provident Funds Scheme, although the Board is required to meet as often as necessary. Accordingly, the Board meets once in a quarter to transact businesses which are important in nature. There are, however, many other day-to-day items which need to be attended to by bodies smaller than the Board. In the Employees' State Insurance Corporation such bodies/committees are in existence. Taking a cue therefrom and also keeping in view the recommendation of Faquir Chand Committee, the Board at its 86th Meeting held on the 13th & 14th October, 1980 decided to constitute the following three Permanent Committees of the Board with a strength of 6 members each, the employees, employers and Government being represented in equal numbers, and authorised its Chairman to finalise the composition of the three Committees; subject to the condition that the Chairman of the third committee might be appointed from amongst the employers' and employees' representatives by rotation.

1. General Purpose Committee :

- (i) To consider all matters relating to administration of the Employees' Provident Fund & Miscellaneous Provisions Act and the Schemes, Organisation, Buildings, Administration (both Central, Regional/Sub-Regional Offices).
- (ii) To consider the budget proposals/Audit Reports of the Comptroller and Auditor General before these are placed before the Board.
- (iii) To consider such other matters as may be referred to it by the Central Board of Trustees from time to time (except those items which will be dealt with by the other two Committees).

2. Investment Committee :

- (i) To oversee the investment at present done by the Reserve Bank of India.
- (ii) To watch timely investment of trust money with a view to realising the optimum return thereon.

- (iii) To give such directions as may be necessary to the Reserve Bank of India in regard to investment/re-investment of redemption proceeds, interest, etc., within the broad investment pattern approved by the Government from time to time.
- (iv) Fixation of rate of interest for the members of the Fund.

3. Committee on Exempted Establishments :

To oversee the working of the exempted establishments in all respects and to report to the Board from time to time with suggestion/proposals for streamlining the system of control over the exempted establishments in respect of grant of exemption, etc., having regard to the primary interest of subscribers.

27.2 The Chairman of the Board accordingly constituted the aforementioned three committees in November, 1980.

27.3 Mention has already been made about the meetings of Committee on Exempted Establishments in paragraphs 8.6 and 8.7 of the Report.

27.4 The first meeting of the General Purpose Committee was held on 14th and 15th March, 1981 at Calcutta under the Chairmanship of Shri P. Venkata Reddy, Chairman of the Board. The Committee has so far met five times and many important decisions about the periodicity of meetings, the business to be transacted in these meetings, etc., were taken.

Sub-Regional Offices :

28.1 As a measure of decentralisation and with a view to carrying the services to the door-steps of the subscribers, Sub-Regional Offices are being opened from 1975. In all, 18 Sub-Regional Offices have been opened so far. Only the Sub-Regional Office at Rajkot has been opened in 1980-81. Details of the Sub-Regional Offices which have been opened so far are indicated below :—

S. No.	Sub-Regional Offices opened at	Region
1. Cuddapah	}	Andhra Pradesh
2. Guntur		
3. Vishakapatnam		
4. Shillong	}	North-Eastern Region
5. Ranchi		Bihar
6. Surat	}	Gujarat
7. Rajkot		
8. Mangalore		Karnataka
9. Kozhikode (Calicut)		Kerala
10. Nagpur	}	Maharashtra
11. Pune		
12. Amritsar	}	Punjab
13. Faridabad		
14. Coimbatore	}	Tamil Nadu
15. Madurai		
16. Meerut	}	Uttar Pradesh
17. Varanasi		
18. Siliguri		West Bengal

28.2 Further, it has been decided to open Sub-Regional Offices shortly at Gorakhpur, Baroda, Cochin, Ludhiana, Agartala. Besides, Government's sanction for opening of two more Sub-Regional Offices at Muzaffarpur and Bareilly in pursuance of the recommendation of the Central Board of Trustees in its 87th meeting held in February, 1981 has been sought for and is awaited.

28.3 At its 87th meeting held on 13th and 14th February, 1981 the Central Board of Trustees, Employees' Provident Fund has approved the blue-print for opening of more Sub-Regional Offices and opening of Sub-Regional Offices at Agra, Aurangabad, Goa, Hubli, Kolhapur, Kota, Simla, Trichy and Quilon is under examination and will be placed before the Board for its approval at its 89th meeting.

Inspectorate Offices and Inspections :

29.1 A Provident Fund Inspector is an important link between the Employees' Provident Fund Organisation and the employers of the covered establishments. Much of the success of enforcement of the statutory provisions of the Act and the Schemes framed thereunder depend on the extent of vigilance and check exercised by the Inspector. The area Provident Fund Inspector while visiting/inspecting an establishment has to ensure that (i) all coverable establishments or factories are covered under the Act from the due date of coverage, (ii) to secure compliance from the covered establishments in many other areas such as rate of contribution, payment by due date, submission of all statutory and non-statutory returns as may be prescribed, etc. He has to detect and report violation of any of the provisions of any of the Scheme to the Regional Provident Fund Commissioner and also assist him in the assessment of dues payable by the defaulting employers under Section 7A of the Act. Besides, he has to submit prosecution proposals against the defaulting employers and also to file prosecution cases in the Courts when sanctioned and pursue them till these are finally disposed of. The area Provident Fund Inspector has to play a host of promotional functions, in addition to the regulatory ones enunciated above. (i) He has to get the incomplete/defective returns submitted by the employer corrected and filled up. (ii) In the event of defective or incomplete applications of members for sanction of final withdrawal or non-refundable advance being returned, he has to get them correctly filled up and resubmit to the Regional/Sub-Regional Office for processing afresh. (iii) He has to educate the employers and employees alike in the matter of proper enforcement of statutory provisions.

29.2 As on 31.3.1981, there were 102 Provident Fund Inspectorates functioning outside the headquarters of the Regional Offices/Sub-Regional Offices all over the country for the proper and efficient discharge of their duties.

29.3 A list of these Inspectorates which were mainly located in the industrial centres is given at Appendix 'C'.

29.4 During the year under report 2,00,312 inspections were conducted by the Provident Fund Inspectors. The average number of inspections conducted by them was 41 inspections per month per Inspectors as against the quota of 45 per month. Various factors contribute to fall in the number of inspections. (a) Hilly or mountainous or desert areas of Madhya Pradesh, Rajasthan and North Eastern Region where mobility is adversely affected and much time is taken in covering few establishments scattered over larger areas and often inaccessible. (b) Heavy preoccupation with court work which leaves less time for inspection (c) Engagement in multifarious other functions, mostly administrative in nature which hamper inspections.

29.5 The Central Inspection Squad headed by one Deputy Director (Vigilance) with Headquarters at Delhi investigated into a number of complicated cases and covered a large number of defaulting units all over the country. As a result of the vigorous efforts made by the Squad, 321

establishments which were otherwise coverable but were left out of coverage were detected and recommended for coverage under the Act. Some of these were coverable from retrospective dates and the Regional Commissioners were directed to cover them with effect from the due dates. A total number of 754 establishments which have defaulted to pay the dues were brought to book. Besides, the Central Squad also recovered Rs. 5.65 lakhs from defaulting establishments and also detected about 1,245 employees who were otherwise eligible to become members but were denied the benefits of membership. Necessary instructions to the Regional Commissioners concerned have been issued to ensure that all such eligible employees are enrolled as members from the due dates.

Buildings and Staff Quarters :

30.1 During the year under report the Organisation has secured land for construction of office buildings at Patna (Bihar), Cuddapah (Andhra Pradesh), Faridabad & Amritsar (Punjab) and Nagpur (Maharashtra). Though money has been deposited, physical possession of land is still to be taken at Faridabad and Amritsar. For the staff quarters, possession of land has been taken at Jaipur.

30.2 Progress of construction activities is indicated below :—

- (a) Construction of office building at Jaipur and staff quarters (second phase) at Chandigarh is nearing completion. This would be occupied shortly.
- (b) Plans and estimates for construction of staff quarters at Bhubaneshwar (second phase) have been approved by the Board and money deposited with the C.P.W.D. for commencing the work. The Project is likely to be commenced shortly.
- (c) Plans and estimates have been approved by the Board for construction of office buildings at Madurai and Ahmedabad and the work is expected to be commenced shortly.
- (d) Requisitions have been placed with the C.P.W.D. for taking up the construction of office buildings at Patna and Nagpur.
- (e) Estimates for construction of staff quarters at Jaipur have been received and are awaiting Board's approval. Estimates in respect of staff quarters at Calcutta and Madurai are awaited.

30.3 The capital expenditure on constructional activities incurred is Rs. 745 lakhs. The overall estimates plan for construction is about Rs. 3,000 lakhs.

Preparation of Consolidated Income and Expenditure Accounts and Balance Sheet :

31.1 The Consolidated Income and Expenditure Accounts and Balance Sheet of the Employees' Provident Fund Organisation in respect of the Employees' Provident Funds Scheme, 1952, Employees' Family Pension Scheme, 1971 and the Employees' Deposit-linked Insurance Scheme, 1976 are prepared on the basis of the accounts submitted by the 15 Regional Provident Fund Commissioners duly certified by the State Accountant Generals and of the Central Office duly audited by the Director of Audit, Central Revenues, New Delhi. The Accounts are prepared on the actual basis. (i.e. based on the transaction which have actually appeared in the Books of the Fund during a year). In the Consolidated Accounts, the investment of moneys belonging to the Fund as also the interest received on investments are accounted for by the Central Office.

31.2 The Annual Accounts (E.P.F.) duly certified by the Director of Audit, Central Revenues, New Delhi are required to be submitted to the Government of India for being placed on the Table

of Parliament. In order to ensure submission of final Accounts by the target date, a time-schedule has been prescribed by the Government of India in consultation with the Comptroller and Auditor General of India, as indicated below :—

- | | |
|---|--|
| (i) Submission of the Regional Accounts by the Regional Office to the Central Office for scrutiny : | By 30th June
each year. |
| (ii) Return of the Regional Accounts by the Central Office to the Regional Office after scrutiny | By 31st August
each year |
| (iii) Submission of Regional Accounts by Regional P.F. Commissioners to the State Accountant General concerned | By 30th Sept.
each year. |
| (iv) Audit of Regional Account by the State Accountant General : | by 31st October
each year. |
| (v) Recasting of the draft Accounts by the Regional Commissioners on the basis of amendment, if any, suggested by the respective Accountant General and Submission of the recast Accounts to the Accountant General and the Central Office. | By 30th November
each year. |
| (vi) Submission of recast Accounts by respective Accountant General to the Director of Audit, Central Revenues and to the C.P.F.C. | By 20th December
each year |
| (vii) Consolidation of Audited Regional Accounts and submission of the Consolidated Accounts by the C.P.F.C. to the Director of Audit, Central Revenues, New Delhi. | By 31st January
of the following year. |
| (viii) Audit and submission of the certified Accounts by the Director of Audit, Central Revenues to the Govt. of India through the Comptroller and Auditor General of India. | By the 30th June
of the following year. |
| (ix) Submission of the Audited Accounts to the Lok Sabha Secretariat for being placed on the Table of the Parliament. | By 31st July
of the following year. |

However, the Committee on Papers had desired that the audited Annual Accounts should be placed on the table of Parliament by the 31st December of every year. It has since been decided by the Government that the audited accounts should be submitted by the 31st March of the following year.

31.3 The Accounts in respect of the Employees' Provident Funds Scheme, 1952 were in arrears from 1974-75 to 1977-78 and the Accounts for 1978-79 also became due before the clearance of the arrear position. Concerted efforts to clear the arrears were made and during the course of last 2 years not only the arrears Accounts for four years were cleared but also the Accounts for 1978-79 finalised and the book was brought fairly upto date.

31.4 The Accounts in respect of the Employees' Provident Funds Scheme, 1952 upto the year 1978-79 were already placed on the Table of Parliament during the year 1980-81. The Accounts for the year 1979-80 were audited and certified by the Director of Audit, Central Revenues and were forwarded to the Government. The Accounts have since been laid on the Table of the Parliament. A copy each of the Income and Expenditure Accounts and the Balance Sheet (E.P.F.) for the year 1979-80 are appended to the Report as Appendices H & I. While the Income and Expenditure Accounts are inclusive of the three Schemes, viz., Employees' Provident Funds Scheme, 1952, Employees' Family Pension Scheme, 1971 and Employees' Deposit-Linked Insurance Scheme, 1976, the Balance Sheet relates to Employees' Provident Fund side only.

31.5 The Accounts in respect of the Employees' Family Pension Scheme, 1971 and Employees' Deposit-linked Insurance Scheme, 1976 and under process of compilation upto 31.3.1980.

31.6 Since the compilation, audit and rendition of the Annual Accounts are not only important but also to be done within a target date, a Special Cell was constituted exclusively to attend to this task. The E.P.F. Accounts were in arrears and all these have been liquidated and it is a matter of gratification that the Accounts of the Organisation will be upto date with the submission of the accounts for 1979-80.

Audit Report of the Accounts (E.P.F.) for the year 1979-80 :

32.1 The Accounts for the year 1979-80 (Employees' Provident Fund) have been submitted by the Comptroller and Auditor General of India and Audit Report submitted to the Government. A copy of the Audit Report is appended to this Report (Appendix J).

Posting and Reconciliation of Cash Books :

33.1 The Organisation is administering three Schemes, viz., Employees' Provident Funds Scheme, 1952, Employees' Family Pension Scheme, 1971 and the Employees' Deposit-linked Insurance Scheme, 1976. Contributions and administrative charges are being received under various accounts relating to the said three Schemes. For proper and accurate accounting of moneys, a number of cash books are being maintained in the various Regional and Sub-Regional Offices, located all over the country. The State Bank of India are the bankers for the Organisation in respect of all the three Schemes.

33.2 Consequent on the introduction of the latter 2 new Schemes, certain problems have to be faced in the maintenance of Cash Books, in that the supporting documents like Bank Statements, Daily Scrolls, etc., were not forthcoming in time from the Bank, resulting in arrears of maintenance of cash books which affected the timely reconciliation of accounts with the books of the Bank.

33.3 With a view to overcoming this contingency, a centralised control system was evolved in the Headquarters Office under which the performance of the Regional and Sub-Regional Offices relating to the maintenance and timely reconciliation was kept under close watch and the Banks advised for timely rendition of scrolls/challans, etc. Persistent efforts made under the said control system proved successful and remarkable progress could be achieved in the maintenance and closing of Cash Books.

33.4 At times it so happened that though the employers remit the statutory dues through the State Bank of India in various accounts, the link branches failed to furnish the credit particulars to the Regional Provident Fund Commissioners in the form of challans and bank statements. This has resulted in accumulation of unclassified suspense accounts. To be precise the money paid by the employers, although received in the Bank, could not be credited to the respective accounts in the books of the Organisation.

33.5 In order to ensure timely reconciliation and wiping out of the unclassified suspense concerted efforts were made to obtain the wanting details from the various branches of State Bank of India, by personal contracts and it has paid good dividends in respect of certain regions.

AUDIT

Statutory Audit :

34.1 The statutory audit of Accounts of all the Regional Offices and the Central Office was carried out by the respective Accountants General of the States and the Director of Audit, Central Revenues, New Delhi. The audit observations and various suggestions pointed out by them were complied with for keeping an effective system of accounts. Much progress has been achieved in the matter of clearance of outstanding paras as a result of concerted efforts made. As on 1.4.1980, 1,108 paras were outstanding. During the year 1980-81, another 259 paras were added as per Audit Inspection Reports issued in respect of Regional Offices, Sub-Regional Offices and Central Office raising the number of paras to 1,367. Out of these, 605 paras could be cleared during the year 1980-81 leaving 762 paras outstanding as on 31.3.1981. All out efforts are being made for the expeditious clearance of these paras.

Re-organisation of Internal Audit Work :

34.2 The Internal Audit machinery set up in August, 1966 for conducting Internal Audit of Regional Offices and the Central Office continued to function. The Internal Audit was hitherto carried out by two parties, viz., Internal Audit Party, North Zone and Internal Audit Party, South Zone. The Regionwise distribution among the two Audit Parties was as follows :—

North Zone : Punjab, Delhi, Uttar Pradesh, Rajasthan, Madhya Pradesh, Bihar, West Bengal, Assam and Central Office.

South Zone : Gujarat, Maharashtra, Karnataka, Tamil Nadu, Kerala, Andhra Pradesh and Orissa.

The Sub-Regional Offices coming under the respective regions have also been inspected by the concerned Internal Audit Party.

34.3 The two parties could not do full justice to their work because of the vastness of area and jurisdiction involving prolonged stay at one place. Therefore, formation of a third party was considered absolutely necessary and a third Internal Audit Party has accordingly been formed with effect from 1.1.1981. A separate Zone called 'East Zone' has been formed by carving out some Regional Offices/Sub-Regional Offices out of the existing two Zones. The revised allocation of work amongst the Internal Audit Parties is given below :—

North Zone : **Headquarters at New Delhi**

Regional Offices : Delhi, Gujarat, Madhya Pradesh, Punjab, Rajasthan and Central Office and Sub-Regional Offices coming under these Regional Offices.

South Zone : **Headquarters at Madras**

Regional Offices : Andhra Pradesh, Karnataka, Kerala, Maharashtra, Tamil Nadu and Sub-Regional Offices coming under these Regional Offices.

East Zone : **Headquarters at Calcutta**

Regional Offices : North Eastern Region, Bihar, Orissa, Uttar Pradesh and West Bengal and the Sub-Regional Offices coming under these Regional Offices.

Internal Audit :

34.4 As on 1.4.1980, there were 2131 outstanding paras relating to Internal Audit Parties (1,289 paras pertaining to Internal Audit Party South Zone and 842 paras pertaining to North Zone). Besides, another 615 paras were added during the year 1980-81. Out of total number of 2746 paras,

1,090 paras were cleared during the year 1980-81, leaving 1656 paras (907 paras pertaining to Internal Audit Party, South Zone); 276 paras pertaining to internal Audit Party, North Zone and 473 paras pertaining to Internal Audit Party, (East Zone) outstanding as on 31.3.1981. The Regional Provident Fund Commissioners have been constantly instructed to ensure that necessary step is taken to clear the pending audit paras as quickly as possible.

Machine Processing of Accounts :

35.1 The I.B.M. Accounting machines, installed in the office of the Regional Provident Fund Commissioner, Maharashtra in 1964, have not been functioning efficiently. Because of poor performance of machines, arrears in the issue of annual statement of accounts have mounted up very high in this region. On 31st March, 1981 the arrears were around 17.00 lakhs.

35.2 A series of steps were taken in 1980-81 to improve the working of the machine system and to reduce the arrears. One such step was to allow the Sub-Regional Office at Pune and Nagpur to work on manual system so as to expedite annual statement of accounts. Another was to ensure in the Regional Office of Maharashtra to issue annual statement of accounts under manual system in respect of establishments having subscribers under fifty.

35.3 The accounting machine is a sophisticated and sensitive one and therefore, absence of an air conditioner for a machine room affected its working. The omission has been made good and the machine room has since been air-conditioned. Similarly, on the advice of the Computer Maintenance Corporation, proposal for air conditioning the entire machine section has also been initiated.

35.4 In order to improve the effectiveness of the machine further, a detailed study of the problem being faced by the machine section was conducted in October, 1980 by Shri A.K. Rastogi, who is a highly qualified engineer and who had gained vast experience in the field in the U.S.A. He had given several suggestions, both of short term and long term character, such as :

- conducting a system study in order to redesign the method of working of the machine system;
- purchase of more punching machines and verifiers;
- creation of posts of a few more punch operators;
- air conditioning of the entire machine section to improve the efficiency and longevity of the machine;
- close coordination of the machine section and the accounts group;
- to switch over to a mini/micro basis system replacing the existing old I.B.M. accounting machines, etc., etc.

35.5 Action has already been initiated to implement most of the short-term recommendations and considerations of the long-term recommendations is going on.

Updating of Manuals :

36.1 The Special Cell has prepared two brochures entitled "Guide to Employers" and "Guide to Subscribers" in English. These have been translated into Hindi and eleven Regional languages by the Central Board of Workers' Education and have been given wide publicity through the Regional Commissioners and Officers-charge of Sub-Regional Offices. The Cell also prepared the amendment slips to the Services Manual, which have also been circulated among all Regional Provident Fund

Commissioners. The Audit Manual, the Handbook of Legal Clarifications and the Compilation of Court Decisions are being drafted and will be completed soon. With regard to Examination Manual, it may be mentioned that certain recommendations have been made by the Faqir Chand Committee for introducing a combined examination for the proposed Enforcement Officers and Assistant Accounts Officers. No doubt Departmental instructions are issued from time to time for conducting Departmental examinations but a comprehensive Examination Manual could not be drafted as the relevant recommendation of the Faqir Chand Committee, i.e., creation of two cadres of Enforcement Officers and Assistant Accounts Officers is yet to be accepted.

36.2 The Manual of Accounting Procedure which was prepared in 1968-69 was only for Employees' Provident Funds Scheme. Consequent on introduction of two new Schemes, viz., Employees' Family Pension Scheme, 1971 and Employees' Deposit-linked Insurance Scheme, 1976 need was felt to evolve a Manual of Accounting Procedure for these two Schemes also. Accordingly, the old Manual has been revised and completely brought up to date by incorporating therein the accounting procedure in respect of Employees' Family Pension and Employees' Deposit-linked Insurance Schemes. The draft of the revised Manual has been circulated among all Regional Provident Fund Commissioners and will be finalised in the forthcoming Conference of Regional Provident Fund Commissioners to be held in September, 1981. The revised Manual once finalised will be a mile-stone in the growth of this fast expanding accounts oriented Organisation.

36.3 In addition to attending to the above items of work, the Cell has also simplified the claim forms for withdrawals of Provident Fund, Family Pension Fund and Employees' Deposit-linked Insurance Scheme and has also evolved a simplified system with an in-built check and reconciliation in processing all the three claims simultaneously. It has also developed a system of maintaining the ledger card account in bound volume as against loose ledger cards which was hitherto the practice. A system of introducing a receipt and payment register in respect of each covered establishment has also been developed by the Cell.

Administrative Inspections :

37.1 Hitherto, there was no systematic programme for conducting inspection of the Regional and Sub-Regional Offices. For this purpose, a comprehensive proforma of inspection containing all the points relevant to the working of the Regional/Sub-Regional Offices was devised and inspections were conducted of two Regional Offices, viz., Madhya Pradesh and Kerala in February and March, 1980 respectively by the Central Provident Fund Commissioner.

Subsequently, the Central Provident Fund Commissioner has conducted inspections of the Regional Offices of Uttar Pradesh, Punjab, Orissa, Bihar, Delhi and Tamil Nadu regions and Sub-Regional Offices of Pune, Nagpur, Cuddapah, Guntur, Ranchi and Coimbatore. These inspections have brought out several deficiencies in the working of the Accounts, Enforcement and Administration wings of the Regional/Sub-Regional Offices. In addition to releasing the inspection reports to the concerned offices, strict instructions have been issued to all Regional Provident Fund Commissioners/Officers-in-Charge of Sub-Regional Offices to maintain all records and registers in accordance with the instructions laid down in the Manual of Accounting Procedures. These inspections have created an awareness in the Regional Offices/Sub-Regional Offices as the reports contained strict observations and directions for adherence in their day-to-day work and has thereby brought about substantial improvement in the working of these offices. It is intended to have a permanent inspection wing in the Central Office so that inspections of all Regional/Sub-Regional Offices can be conducted as per a time-bound programme, drawn up at the beginning of the year. Post of one Director of Inspection and sub-ordinate officer/staff have since been sanctioned by the Government for this purpose.

Review of the working of the Regional/Sub-Regional Offices :

37.2 Till September, 1980 the review of the working of the Regional Offices including Sub-Regional Offices was made quarterly on the basis of quarterly returns received from the Regional Provident Fund Commissioners. But it was felt that in order to exercise greater control on the working of the said offices, a detailed monthly review of their working in different areas was necessary and as such a Format was introduced for the first time for obtaining monthly D.O. narratives from the Regional Provident Fund Commissioners with effect from October, 1980. The monthly D.O. narratives received from the Regional Provident Fund Commissioners were scrutinised thoroughly and instructions as necessary were issued to them by the Central Provident Fund Commissioner for improvement in the different specified areas.

37.3 Simultaneously, the system of review of cases, pending with the office of the Central Provident Fund Commissioner and the Regional and Sub-Regional Offices was also introduced and a return was prescribed to obtain reports on the pendencies fortnightly. These returns were scrutinised and necessary instructions issued to the concerned officers for expeditious disposal of the cases.

37.4 The above system of review of the working of the regions through the monthly D.O. narratives and the return of pendencies in different spheres has yielded good results, particularly in regard to the discovery of establishments coverable under the Act, recovery of arrears, settlement of claims, sanction of non-refundable advances, transfer of individual accounts, issue of annual statement of accounts and redressal of grievances of subscribers also.

Public Relations and redressal of grievances of subscribers—working of Grievance Machinery :

38.1 Public relations constitutes one of the most important areas of administration of the Provident Fund. The success of administration of the Fund and the image of the Organisation, in particular, depend to a large extent on the manner in which the workers and the public react to its working. To ensure that no delay occurs in these areas and to ensure that the grievances, if any, of the members are attended to, in time, instructions were issued in July, 1979 to all the Regional Provident Fund Commissioners for fixing one day in a week, as may be convenient to them, to attend to the grievances of the members. Wide publicity was given to this arrangement under which grievances of the members of the Fund are attended to by the Regional Provident Fund Commissioners. Similar arrangements was also introduced in the Central Office of the Employees' Provident Fund Organisation where the Central Provident Fund Commissioner and in his absence a senior officer in the Central Office, hears the public grievances. Prompt follow up action is taken on the grievances of the members or of the staff. During the year under report, great emphasis was laid to see that the grievances machinery set up in the Regional/Sub-Regional Offices functions smoothly and efficiently. Adequate publicity was given in the newspapers all over India to create an awareness of the existence of such a machinery in the offices of the Employees' Provident Fund Organisation.

38.2 As a part of the system of redressing the grievances, a system was devised to acknowledge the complaints which were being received every day.

38.3 To add further fillip instructions were issued to all Regional Provident Fund Commissioners and Officers in-Charge of Sub-Regional Offices to spare one hour every day, in addition to hearing grievances one day in a week, so that all subscribers/members who had any grievance could meet the Regional Provident Fund Commissioner and in his absence any other officer specifically nominated for the purpose, so that the grievances could be redressed expeditiously. It has been the endeavour of the Employees' Provident Fund Organisation that the public grievances are attended to quickly and are redressed.

38.4 The system of monitoring the progress achieved in this direction by the Regional/Sub-Regional Office has been introduced in the Central Office by which the monthly progress report is received from every region. This is reviewed at the Central Provident Fund Commissioner's level and instructions are issued for removing procedural constraints/bottlenecks which inhibit the working of the public grievances machinery and for promptly attending to all such complaints/grievances as may be received from time to time.

38.5 Another interesting aspect of the public grievances machinery is the utilisation of the enforcement machinery, such as Provident Fund Inspectors, for positive redressal of grievances. Hitherto, the enforcement machinery was playing a purely regulatory role. The approach now has been to convert this regulatory role into positive and promotional role by which the area Inspectors could be fruitfully utilised in contacting the employers of establishments for (i) forwarding all claim applications where the same have not been forwarded (ii) collection of annual contribution statements in Form 3-A/6-A wherever the same has been due or has not been received (iii) collection of such of the relevant data, as is essential for settlement of claims under the Employees' Provident Fund, Employees' Family Pension Fund and Employees' Deposit-linked Insurance Schemes and (iv) getting forms rectified by the employer on the spot.

38.6 In addition to hearing grievances one day in a week in the Central Office, the Central Provident Fund Commissioner also heard the grievances in the course of his tours to Regional/Sub-Regional Offices. Such grievances were heard by the Central Provident Fund Commissioner at Chandigarh, Amritsar, Meerut, Kanpur, Patna, Ranchi, Bhubaneswar, Hyderabad, Madras, Coimbatore, Calcutta and Siliguri.

38.7 The process is on and is likely to be strengthened further as soon as additional staff is sanctioned specifically for hearing public grievances.

38.8 All the above measures have added new dimensions to the working of the Employees' Provident Fund Organisation and scores of letters acknowledging gratitude of the subscribers have been received and continue to be received which speak of the impact created by the introduction of the public grievances machinery in the Central/Regional/Sub-Regional Offices.

Internal Work Study Unit :

39.1 The Internal Work Study Unit continued to conduct various studies and also took as many measures as possible for introducing scientific methods, practices and procedures in different areas of working of the Organisation on the one hand and also at the same time ensuring economy consistent with efficiency. One of the measures worth mentioning relates to strengthening of the Personal Section of the Regional Commissioners who are heavily burdened with multifarious activities including quasi-judicial functions entrusted to them through the various provisions of the Act and the Schemes. Its other activities relating to studies of machine processing of accounts in Maharashtra, implementing training programme, processing the recommendations contained in the report of the Committee on the Structures of the Employees' Provident Fund Organisation and Conditions of Service of its employees, have been mentioned in other paragraphs.

Staff Position :

40.1 During the year under report, a total number of 1,310 posts (1,280 posts for the Regional/Sub-Regional Offices—less 50 posts sanctioned in 1979-80 for reconciliation of accounts, sanction for which beyond 31st May, 1980 was not received from Government—and 30 posts for the Central Office) were sanctioned as per the approved yard-stick fixed by the Central Board of Trustees for Employees' Provident Fund and prescribed by the Ministry of Finance for Family Pension Fund and Deposit-linked

Insurance Scheme to cope with the increased work-load with a view to render prompt and efficient service to the subscribers and employers. Thus the authorised sanctioned strength of the Officers and staff of the Organisation as on 31.3.1981 was 11,290 (Group A-105, Group B-360, Group C-9,610 and Group D-1,215). However, the number of the officers and staff in position as on that date was, 10,100.

40.2 A statement indicating officers and staff sanctioned and in position during the last three years is given in the following table :

TABLE XXXVII

<i>Position as on</i>	<i>Sanctioned Strength of officers and staff</i>	<i>Officers and staff in position</i>
31.3.1979	9,111	8,304
31.3.1980	10,030	9,863
31.3.1981	11,290	10,100

Welfare measures for the staff :

41.1 The Employees' Provident Fund is a service Organisation engaged in rendering service to millions of subscribers with an aim to provide long term financial security to the working class especially in semi-literate/illiterate unorganised workers, rendered helpless through loss of employment and other exploitation in the remaining uncovered factories/establishments, in their old age, to their families in case of premature death of a worker, all over the country. In order to render prompt and efficient service, the Organisation has employed over 11,000 persons in various cadres in the Accounts, Enforcement and Administrative Wings in the Central, Regional and Sub-Regional Offices which constitute the instrument of service. It is essential, therefore, that the barest minimum requirement of staff members, both as human beings and as service personnel are taken note of so that they may discharge timely and efficient service to the subscribers which is their ultimate goal. The administration has taken all possible measures to ensure that the basic requirements of the staff members such as reasonable working space, adequate furniture and equipment like Facit Machines, calculators, interest calculating charts, etc.; canteen facility, stationary and forms, etc., are fulfilled so that operational efficiency of the staff is maintained at the optimum level. During the year under report expenditure of about Rs. 29.58 lakhs was incurred towards securing better office accommodation, provision of additional furniture, mechanical aids (like Facit Machines, Calculators, etc.), forms and stationery, water coolers, fans, air coolers, heaters, etc.

41.2 Introduction of free training classes outside office hours to coach Group D staff so as to enable them to perform better in the departmental Lower Division Clerks examination as part of the policy to encourage and help the weaker sections to rise up in their service career in the Organisation.

41.3 With a view to maintaining operational efficiency in the Regional and Sub-Regional Offices, the Central Provident Fund Commissioner has delegated powers to the Regional Provident Fund Commissioners to sanction House Building Advance to Head Clerks, Hindi Translators (Gr. II), Stenographers (Sr.), Upper Division Clerks, Lower Division Clerks, Junior Stenographers, Staff Car Drivers, Gestetner Operators, Electricians, Pump Operators, Daftries and other Class IV employees of the Regional and Sub-Regional Offices of the Employees' Provident Fund Organisation.

41.4 Conveyance allowance to 67 blind and orthopaedically handicapped employees in the Regional Offices @ 10% of their basic pay subject to a maximum of Rs. 50/- per month in each case had been sanctioned.

41.5 In accordance with the decision of the Government of India in the Ministry of Finance, a special pay of Rs. 35/- per month was paid to 10% of the UDCs working in Regional Offices who are handling cases of complex nature.

41.6 A subsidy @ 70% of the Dearness Relief actually paid to the employees of the Staff Cooperative Canteen in the Regional Office, West Bengal amounting to Rs. 7,833.20p. was sanctioned during the year.

41.7 Special grant amounting to Rs. 30,960/- was given to the Staff Recreation Clubs of the Regional Offices of Andhra Pradesh (Rs. 5,000), Bihar (Rs. 1,960), Punjab (Rs. 3,000) and Sub-Regional Offices at Guntur, Cuddapah & Coimbatore (@ Rs. 5,000/- each) and Visakhapatnam and Madurai (@ Rs. 3,000/- each) during the year for purchase of equipment, books, magazines, sports goods, etc. This has generated interest in games and cultural activities.

41.8 As a measure of rehabilitation of physically handicapped citizens, the Organisation has taken in employment 307 such persons in its Headquarters Office, Regional Offices and Sub-Regional Offices. These include 7 blind, 6 deaf and 294 orthopaedically handicapped persons.

41.9 A Delhi Milk Scheme booth in Bhavishya Nidhi Enclave, New Delhi catering to the needs of the staff (and their families) of the Headquarters Office and Regional Office, Delhi, residing in the said colony, has been got opened.

Departmental Examinations :

42.1 Departmental Examinations to fill up the vacancies falling under the merit quota in the cadres of Lower Division Clerk, Upper Division Clerk, Head Clerk and Assistant were held in the month of June, 1980.

42.2 455 candidates (28 LDCs, 301 UDCs and 126 Head Clerks and Assistants) were declared successful at these examinations. The departmental examination for the posts of UDCs held at Kanpur Centre (Regional Office, Uttar Pradesh) in April, 1979 had been cancelled and a re-examination held for the first time in the history of departmental examinations in the month of June, 1980, and its result announced in a week.

42.3 The 9th Provident Fund Accounts Service Examinations, Part I and II, were held in the month of December, 1980. Sixty-two candidates passed the Part I examination and Eight candidates passed the Part II examination.

42.4 All the earlier eight examinations had been conducted by the Directorate General of Employment and Training, Ministry of Labour, New Delhi. But this work has been taken over by the E.P.F. Organisation itself from the 9th Examination in December, 1980, because of its own long experience in conducting departmental examinations. Special mention is made of the fact that the Organisation conducted creditably the 9th Provident Fund Accounts Service Examination and announced the results in a record time.

42.5 As a result of a series of examinations in quick succession, the seniority problems among the staff have been solved to a significant extent.

42.6 Mention was made in the last year's Report about drafting of a comprehensive Examinations Manual. It was thought then that the decision of the Government on the recommendation of the Faqir Chand Committee Report on developing a combined examination for the proposed Enforcement Officers and Assistant Accounts Officers would become available and the whole system of departmental examinations would be perfected through a Manual.

42.7 No doubt, instructions are being issued from time to time for conducting departmental examinations even now. But the relevant recommendation of the Faqir Chand Committee, though accepted by the Government could not be implemented as the decision of the Government on the proposed structure of inspecting officers and Supervisory of Accounts group [Assistant Accounts Officers and Assistant Commissioner (Accounts)] has not become available. Hence, the Manual has not yet been finalised. However, pending implementation of the new examinations system, codification of all the instructions issued in the past on the departmental examinations is now being thought of.

Report of the Employees' Provident Fund Review Committee :

43.1 The Employees' Provident Fund Review Committee was set up by the Government of India by its Order No. H. 11013/(2)/78-PF. II dated April 5, 1980, with Shri G. Ramanujam of INTUC as its Chairman, to go into the enforcement of the problems of mounting, P.F. arrears. The other members of the Committee were :

1. Shri M. Ghose, Representative of Employers.
2. Kumari Kusum Lata Mittal, Additional Secretary, Ministry of Finance (Deptt. of Economic Affairs).
3. Shri R.K.A. Subrahmanya, Additional Secretary, Ministry of Labour.
4. Shri Jagdish Chand, (Director) Board of Direct Taxes, Member.
5. Shri G.V. Ramakrishna, Additional Secretary, Ministry of Industry.
6. Shri R. Ramakrishna, Joint Secretary, Department of Textiles, Ministry of Commerce.

Shri Daljit Singh, former Deputy Secretary, Ministry of Labour, was the member-Secretary of the Committee.

43.2 The Committee was also required to go into the adequacy of the legal and penal provisions of the Employees' Provident Fund and Miscellaneous Provision Act and the three Schemes framed under the Act and to recommend necessary measures for smooth and orderly functioning of the Schemes. The Committee held in all ten sittings and submitted its Report on the 28th January, 1981, to the Honourable Union Minister for Labour and Planning, Shri N.D. Tiwari. The recommendations of the Committee were placed before the Central Board of Trustees in its 88th meeting held on 1.3.1981. The Board by majority endorsed most of the recommendations of the Committee. The Government has already communicated its decision on some of these recommendations which do not involve any amendment to the provisions of the Act and the Schemes.

Use of Hindi :

44.1 The progressive use of Hindi in the Regional and Sub-Regional Offices of the Organisation including Central Office continued to receive serious attention. For the speedy implementation of the provisions of the Official Language Act, 1973 and the Official Language Rules, 1976, the minimum No. of posts of Hindi Officers, Sr. Hindi Translators, Jr. Hindi Translators and Hindi Typists as required by Ministry of Home Affairs (Deptt. of Official Language) were created for each Regional and Sub-Regional Offices.

44.2 A statement showing the No. of posts which have been created for the Central, Regional & Sub-Regional Offices is given below:—

S. No.	Region	No. of posts sanctioned			
		Hindi Officer	Hindi Translator (Gr. I)	Hindi Translator (Gr. II)	Hindi Typist
(1)	(2)	(3)	(4)	(5)	(6)
(A) Regional Offices/Central Office (Hqrs.)					
1.	Andhra Pradesh	1	1	3	1
2.	Assam (N.E. Region)	—	—	1	1
3.	Bihar	1	—	3	1
4.	Delhi	1	1	3	1
5.	Gujarat	1	1	3	1
6.	Karnataka	1	1	3	1
7.	Kerala	1	1	3	1
8.	Madhya Pradesh	1	1	3	1
9.	Maharashtra	1	1	3	1
10.	Orissa	1	1	3	1
11.	Punjab	1	1	3	1
12.	Rajasthan	1	1	3	1
13.	Tamil Nadu	1	1	3	1
14.	Uttar Pradesh	1	1	3	1
15.	West Bengal	1	1	3	1
16.	Central Office	1	1	3	2
Total :		15	14	46	17
(B) Sub-Regional Offices					
1.	Nagpur	1	—	2	1
2.	Surat	—	—	1	1
3.	Calicut (Kozhikode)	1	—	3	1
4.	Ranchi	—	—	2	1
5.	Coimbatore	1	1	3	1
6.	Faridabad	1	—	2	1
7.	Siliguri	—	—	1	1
8.	Guntur	1	—	2	1
9.	Cuddapah	—	—	2	1
10.	Pune	1	—	2	1
11.	Shillong	—	—	2	1
12.	Amritsar	1	—	2	1
13.	Meerut	1	—	2	1
14.	Mangalore	—	—	2	1
15.	Madurai	1	—	2	1
16.	Rajkot	—	—	1	1
17.	Varanasi	—	—	—	1
18.	Vishakapatnam	—	—	1	—
Total		9	1	32	17
Grand Total		24	15	78	34

44.3 The Organisation conducted two examinations for filling up the posts of Jr. Hindi Translators for Central Office, Regional Offices & Sub-Regional Offices on 28th September, 1980 and 23rd November, 1980. Another examination was conducted to fill up the post of Senior Hindi Translator on 30.9.80. The candidates who passed in these examinations were given promotion subject to the availability of posts.

44.4 During the year under report the following Regional and Sub-Regional Offices were inspected by the Hindi Officer (Hqrs.) as per the decision taken by the Official Language Implementation Committee to ensure progressive use of Hindi in these Offices.

- (1) Bihar
- (2) Chandigarh
- (3) Faridabad
- (4) Amritsar.

44.5 To encourage the Use of Hindi in the Office work, Official Language Implementation Committee of the Central Office decided to hold different competitions i.e., (i) Essay (ii) Poem writing/reciting and (iii) debate in Hindi and it was decided to give cash award of Rs. 50/-; Rs. 30/- and Rs. 20/- to the competitors who are declared 1st, 2nd and 3rd respectively in each group.

44.6 The Quarterly Progress Report regarding progressive use of Hindi received from the Regional and Sub-Regional Offices were reviewed by the Central Office and deficiencies/shortcomings found in the reports were brought to the notice of the concerned Regional Commissioners and Incharge of Sub-Regional Offices for their rectification.

44.7 Official Language Implementation Committee have since been constituted in almost all Regional and Sub-Regional Offices. The meetings were conducted by the Regional and Sub-Regional Officers in their respective Offices. The minutes of Official Language Implementation Committees received in the Central Office were reviewed and concerned Regional & Sub-Regional Officers were asked to ensure the implementation of the decisions taken by them in the meetings.

44.8 The following important decisions were also taken in the meetings of the Official Language Implementation Committee of the Central Office headed by Shri Lakshmidhar Mishra, Central Provident Fund Commissioner, during the year under report.

- (1) The post of Hindi Officer, Hindi Translators and other vacant posts relating to Hindi work should be filled up immediately (one post of Hindi Officer and one post of Sr. Hindi Translator and 25 posts of Jr. Hindi Translators have been filled up).
- (2) It was also decided that whenever any Senior Officer visits Regional/Sub-Regional Offices in connection with the inspection of that office, he may in addition to other work, look into the progress made in the use of Hindi in that Office and after appointment to the post of Hindi Officer, the Hindi Officer may inspect the subordinate offices from time to time and ensure that they comply with the provisions of the Official Language Act.
- (3) It was decided that a beginning be made to send the Agenda and Minutes of the CBT meetings in Hindi and English simultaneously.
- (4) It was decided that a detailed examination be made by the authorities on the question whether a paper on 'General Hindi' could be introduced (in addition to General English) in the examination for the direct recruitment or departmental promotion to the post of Lower Division Clerks and candidates allowed to appear for either of

above two papers. (Matter is under consideration).

- (5) It was decided that those Offices, which do not have even a single Devanagri Typewriter, may be asked to purchase one Devanagri Typewriter immediately and one post of Hindi Typist be created for each Regional and Sub-Regional Offices. (32 posts of Hindi Typists were sanctioned for the Regional/Sub-Regional Offices & all Regional and Sub-Regional Offices have been asked to purchase one Hindi Typewriter each).

Important decisions of the Supreme Court/High Courts regarding Employees' Provident Funds and Miscellaneous Provisions Act, 1952 and the Schemes framed thereunder :

45.1 The Honourable High Court of Madras has, *inter alia*, held in the Criminal Revision Petitions in respect of M/s. Premier Studs and Chaplets Company that offences of non-payment of Provident Fund contributions, Administrative Charges, etc., are continuing offences and as such under Section 472 of Criminal Procedure Code, a period of limitation would be given to run at every moment of the time during which the offence continues.

45.2 Similarly in Criminal Appeal Nos. 31-34 of 1976, the Hon'ble High Court of Andhra Pradesh in its order dated 27.1.81 has held that the offences under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 are continuing offences and are not covered by Sections 468(2)(b) of Criminal Procedure Code for purposes of limitation.

45.3 The Hon'ble High Court of Delhi has dismissed the Writ Petition filed by M/s. Indian Council of Agricultural Research challenging the applicability of the Act to the various agricultural farms attached to their Regional/Sub-Stations all over the country on the ground that these farms are charged with the responsibility of research in agriculture and animal husbandry and fisheries, etc., holding that the I.R.C.A. is clearly covered by the Government Notification extending the Act to "Agricultural Farms."

45.4 The Hon'ble High Court of Delhi has in its judgment in the case of M/s. Wire-netting Stores Vs. R.P.F.C., Delhi and Others, has held Section 7-A of the Act violative of Article 14 of the Constitution of India and quashed the demands made by the Regional Provident Fund Commissioner, Delhi from the establishment. An appeal against the aforesaid judgement has, however, been filed in the Supreme Court of India.

Training Programme :

(i) Training of newly recruited staff :

46.1 No systematic training programme had been in operation in the Employees' Provident Fund Organisation, even though the Manual of Accounting Procedure prepared in 1968 contains certain provisions for conducting training which remained largely unimplemented. Having regard to the necessity for a proper programme of training in a vast and fast expanding Organisation like Employees' Provident Fund with 10,100 employees, a Training Scheme was got approved by the Central Board of Trustees early in 1980. In accordance with this Scheme, all the 15 Regional Offices have been brought under 4 Zones with Headquarters at the Metropolitan centres of New Delhi for the Northern Zone, Calcutta for the Eastern Zone, Madras for the Southern Zone and Bombay for the Western. Four posts of Zonal Training Officers of the level of Assistant Provident Fund Commissioner (Gr. I), have also been sanctioned for training the newly recruited clerks and such of the UDCs who require training in order to equip them better to deal with, all the Enforcement, Accounts and Administration matters of the Regional Offices. However, owing to paucity of officers at this level only two Training Officers one for the Southern Zone and other for the Eastern Zone have so far been appointed while efforts are on to fill the other two Training Officers' posts also.

46.2 Despite various problems such as absence of good accommodation and other necessary facilities for conducting training, the Training Officers of Southern Zone and Eastern Zone have gone much ahead with the work and have conducted training classes in various Regional/Sub-Regional Offices. The Training Officers, though posted at the Regional Offices, Tamil Nadu and West Bengal respectively go round to the Regional Offices/Sub-Regional Offices in the respective Zones and conduct training for a period of one month each. A system of performance appraisal of candidates has also been developed whereby the candidate getting the maximum marks in the test generally conducted at the end of the course is also given an incentive of Rs. 50/-, apart from issuing the certificate to all candidates. It is hoped that with the institutionalisation of the system of training for the first time in this ever-expanding Organisation, the training Scheme will get further impetus in the coming years thereby injecting efficiency from the initial stages of the career of the employees.

(ii) Training of Supervisory Level :

46.3 It is contemplated to evolve another Training Scheme for the training of supervisory level after the above Training Scheme has successfully worked for a period of one year in all the 4 Zones.

(iii) Training of Staff/Senior Officers in the Training Institutions :

46.4 Staff at the dealing and supervisory level have been trained in office management, administrative and work study in the Institute of Secretariat Training and Management, New Delhi. In addition three senior officers of the level of Regional Commissioners had also undergone training in the Indian Institute of Public Administration and Institute of Applied Manpower Research, New Delhi. Thus, the facilities already available in the various Training Institutions under the control of the Government are being availed of for developing the senior executives of the Employees' Provident Fund Organisation.

Participation of Smt. Ramdulari Sinha, Hon'ble Minister for State for Labour in the I.S.S.A. General Assembly Meeting from 29th October to 6th November, 1980 :

47.1 Smt. Ramdulari Sinha, Minister of State for Labour, led the Indian delegation to the XX General Assembly of International Social Security Association held at Manila (Philippines) from October 28 to November 6, 1980. In the Fifth Meeting of the International Social Security Association Committee on Provident Funds held during the session of the General Assembly a report on the "Experience gained in the Development of Provident Funds", prepared by Shri Lakshmidhar Mishra, Central Provident Fund Commissioner, was read out, in his absence, by the International Social Security Association/Secretariat. The report was highly appreciated by all the delegates present and was found very useful.

Participation of Shri R.M. Gandhi, R.P.F.C., Gujarat in the I.S.S.A. Regional Training Seminar, 1980 at Jakarta (Indonesia) :

47.2 Shri R.M. Gandhi, Regional Provident Fund Commissioner, Gujarat, participated in the Regional Training Seminar of the International Social Security Association held at Jakarta during 16-27 June, 1980 organised by two International Social Security Association member-institutions in Indonesia. The programme for the Seminar included lectures on various aspects of Social Security and its administration, group discussions, and visits to places like Vocational Training Centres and Housing National Projects.

Conclusion :

48.1 During the year under report, the Organisation made strides in some important areas like securing additional coverage of coverable establishments through intensive inspections, enrolment of eligible employees as members of the Fund and extending the statutory benefits to them, accelerating the pace of recovery and prosecution cases by close and constant liaison with the Officers of the State Governments, promptly attending to the grievances of members of the Fund by settlement of their claims and advances, transferring Provident Fund accumulations from one account to another, issue of annual statement of accounts, etc. Taking the performance of the Organisation over a period of the last three years, viz., 1978-79, 1979-80 and 1980-81, it may be safely concluded that not only performance of the Organisation was striking in all the areas but the rate of growth and the percentage of advancement in a particular area over the previous two years had also registered a marked improvement. Notable mention may be made of liquidating arrears in audit and certification of accounts of the Employees' Provident Fund, Employees' Family Pension and Employees' Deposit-linked Insurance Funds which were pending unattended to for several years. Yet another notable achievement of the Organisation during the year under report is liberalisation in the pattern of investment due to untiring efforts of some of the members of the Central Board of Trustees which will fetch a higher return on the investment and which will make it possible to pay a higher rate of interest to the subscribers. The administrative inspections conducted by the Head of the Department and the strict instructions issued to all the Regional Provident Fund Commissioners and Officers-in-Charge of Sub-Regional Offices to meticulously follow the provisions as contained in the Manual of Accounting Procedure have imparted a new sense of direction and awareness among all the officers of the Organisation. Despite several handicaps, efforts have been made to open more Sub-Regional Offices with a view to carry the services to the doorsteps of the subscribers. In discharging the various statutory and administrative responsibilities, the Organisation has received encouraging co-operation from the Central and State Governments, the Employers' and Employees' Organisations, Staff and Officers of the Organisation. The Board places on record its appreciation of the excellent functioning of the Organisation.



(LAKSHMIDHAR MISHRA)
CENTRAL PROVIDENT FUND COMMISSIONER

**LIST OF MEMBERS OF THE CENTRAL BOARD OF TRUSTEES,
EMPLOYEES' PROVIDENT FUNDS AS ON 31-3-1981.**

Chairman

1. Shri P. Venkata Reddy,
Deputy Minister of Labour,
Ministry of Labour,
Government of India,
New Delhi-110001.

Members

2. Shri R.K.A. Subrahmanya,
Additional Secretary to the Govt. of India,
Ministry of Labour,
New Delhi - 110001.
3. Shri S.M. Patankar,
Adviser (Finance),
Government of India,
Bureau of Public
Enterprises,
New Delhi - 110001.
4. Shri U.S. Acharya,
Director,
Government of India,
Department of Industrial
Development,
Udyog Bhawan,
New Delhi - 110001.
5. Shri N.K. Panda,
Joint Secretary to the
Government of India,
Ministry of Finance,
(Department of Expenditure),
New Delhi - 110001.
6. Shri Y.L. Rajwade,
Director, Department of Steel,
Ministry of Steel,
Mines and Coal,
Government of India,
New Delhi - 110001.
7. Shri P.V. Bhatt,
Secretary to the Govt. of Gujarat,
Education & Labour Department,
Sachivalaya, Gandhi Nagar,
Ahmedabad.
8. Shri C.P. Nair,
Special Secretary to the
Government of Kerala,
Labour & Housing Department,
Trivandrum.
9. Shri K.B. Saxena,
Secretary to the Govt.
of Bihar, Department of
Labour & Employment,
Patna.
10. Shri V. Sundaram,
Secretary to the Govt. of Maharashtra,
Industries, Labour &
Energy Department,
Bombay - 400032.
11. Shri J. Alexander,
Commissioner & Secretary
to the Government of Karnataka,
Social Welfare & Labour Department,
Bangalore.
12. Shri T.V. Vasudevan,
Secretary to the Govt.
of Tamil Nadu,
Labour and Employment
Madras.
13. Shri Karnail Singh,
Labour Commissioner &
Secretary to the Govt.
of Uttar Pradesh,
Labour Department,
Council House,
Lucknow.
14. Shri N. Krishnamurthy,
Secretary to the Govt.
of West Bengal,
Labour Department,
Writers Building,
Calcutta.
15. Shri Faqir Chand,
Secretary to the Govt.
of Madhya Pradesh,
Labour Department,
Bhopal.

16. Shri G.R. Nair,
Secretary to the
Government of Andhra Pradesh,
Labour, Employment, Nutrition
& Technical Education Deptt.,
Hyderabad.
17. Shri G. Ramachander,
Commissioner & Secretary,
Labour, Govt. of Rajasthan,
Jaipur.
18. Shri J.P. Gupta,
Secretary to the Govt.
of Punjab, Labour &
Employment Deptt.,
Chandigarh.
19. Shri H.L. Gugnani,
Commissioner & Secretary
to the Govt. of Haryana,
Labour & Employment
Deptt.,
Chandigarh.
20. Shri G.K. Bhattacharya,
Secretary, Industries & Labour,
Govt. of Goa, Daman & Diu,
Panaji.
21. Shri C.R. Samadder,
Secretary,
Labour Department,
Govt. of Assam,
Dispur (Gauhati).
22. Shri B.M. Sethi,
Secretary,
All India Organisation of Employers,
Federation House,
Tansen Marg,
New Delhi - 110001.
23. Shri Atma Prakash Gupta,
Nirmal Kunj,
15/260-A, Civil Lines,
Kanpur.
24. Shri K.V. Srinivasan,
Hydraulics (Pvt) Ltd.,
118 (Old No. 29), Mount Road,
Madras-600002.
25. Shri I.P. Poddar,
The Calcutta Silk Manufacturing Co. Ltd.,
Commercial House,
135-A, Biplobi Rashbehari Basu Road,
Calcutta-700001.
26. Shri Pratap Bhogilal,
C/o Batliboi & Co. (P) Ltd.
Apeejay House,
V.B. Gandhi Marg,
Bombay-400023.
27. Shri M. Ghose,
Secretary, Bengal Chamber
of Commerce & Industry,
Royal Exchange,
6, Netaji Subhas Road,
Calcutta-1.
28. Shri Parduman Singh,
Ekta Bhawan, Putlighar,
Amritsar.
29. Shri Diwakar, President,
Madhya Pradesh Trade Union Congress,
29-B, Rajindra Nagar,
Indore (M.P.)
30. Shri Vimal Mehrotra,
Vice-President, Hind
Mazdoor Sabha, 25-B,
Sarvodaya Nagar,
Kanpur (Uttar Pradesh).
31. Shri Sisir Kumar Ganguly,
General Secretary, Indian
National Trade Union
Congress, Bengal Branch,
(I.N.T.U.C. Office),
3, Goswami Para, Bally,
Howrah.
32. Shri V.R. Hoshing,
General Secretary,
Rashtriya Mill Mazdoor
Sangh, Mazdoor Manzil,
G.D. Ambekar Marg, Parel,
Bombay-400012.
33. Shri G. Sanjeeva Reddy,
President,
Indian National Trade Union Congress,
Andhra Pradesh,
6/B, LIGH, Barkatpura,
Hyderabad-27.

APPENDIX 'B'

**List of the Chairmen of the various Regional Committees, Employees' Provident Fund
as on 31.3.1981.**

<i>S. No.</i>	<i>Region</i>	<i>Name of the Chairman</i>
1.	Andhra Pradesh	Shri G. R. Nair, Secretary to the Govt. of Andhra Pradesh, Labour Department, Hyderabad.
2.	North Eastern Region	Shri C.R. Samadder, Secretary, Labour Department, Government of Assam, Dispur (Gauhati).
3.	Bihar	Shri K. B. Saxena, Commissioner-cum-Secretary to the Govt. of Bihar, Deptt. of Labour & Employment, New Secretariat, Patna-1.
4.	Delhi	Shri R. N. Puri, Labour Secretary, Delhi Administration, 15 Rajpura Road, Delhi.
5.	Gujarat	Shri P. V. Bhatt, Secretary to the Govt. of Gujarat, Labour & Employment Deptt., Sachivalaya, Gandhinagar.
6.	Karnataka	Shri J. Alexander, Secretary to the Govt. of Karnataka, Social Welfare & Labour Deptt., Vidhan Veedhi, Bangalore-560001.
7.	Kerala	Shri C. P. Nair, Special Secretary to the Govt., of Kerala, Labour & Housing Deptt., Trivandrum
8.	Madhya Pradesh	Shri Faqir Chand, Secretary to the Govt. of Madhya Pradesh Labour Department, Bhopal.
9.	Maharashtra	Shri V. Sundaram, Secretary to the Govt. of Maharashtra, Industries, Labour & Energy Deptt., Bombay-400032.

<i>S. No.</i>	<i>Region</i>	<i>Name of the Chairman</i>
10.	Orissa	Shri Bhagey Gobardhan, Secretary to the Govt. of Orissa, Labour & Employment Deptt., Bhubaneswar.
11.	Punjab	Shri J. P. Gupta, Secretary to the Govt. of Punjab, Labour & Employment Deptt., Chandigarh.
12.	Haryana	Shri H. L. Gugnani, Commissioner & Secretary to the Govt. of Haryana, Labour & Employment, Chandigarh.
13.	Himachal Pradesh	Shri Kanwar Shamsheer Singh Secretary to the Govt. of Himachal Pradesh, Labour & Employment Deptt., Simla.
14.	Rajasthan	Shri B. N. Doundiyal, Commissioner & Secretary Labour, Govt. of Rajasthan, Jaipur.
15.	Tamil Nadu	Shri T. V. Vasudevan, Secretary to the Govt. of Tamil Nadu, Labour & Employment Deptt., Madras.
16.	Uttar Pradesh	Shri Karnail Singh, Labour Commissioner & Secretary to the Govt. of Uttar Pradesh, Labour Deptt., Council House, Lucknow.
17.	West Bengal	Shri N. Krishnamurthy, Secretary to the Govt. of West Bengal, Labour Department, Writers Building, Calcutta.

APPENDIX 'C'

Statement showing the names of the Provident Fund Inspectorates outside the headquarters of the Regional Offices on 31.3.1981

Region	No. of P.F. Inspectorates	Name of the cities where P.F. Inspectorates have been opened
1. Andhra Pradesh	12	(i) Vijayawada (ii) Nellore (iii) Eluru (iv) Tirupathi (v) Kakinada (vi) Warangal (vii) Kurnool (viii) Ananthapur (ix) Nizamabad (x) Karim Nagar (xi) Rajahmundry (xii) Srikakulam
Total :	12	
2. North Eastern Region	2	(i) Tinsukia (ii) Agartala
Total :	2	
3. Bihar	9	(i) Deoghar (ii) Dhanbad (iii) Muzaffarpur (iv) Kodarma (Hazaribagh) (v) Katihar (vi) Jamshedpur (vii) Gaya (viii) Giridih (ix) Bhagalpur
Total :	9	
4. Gujarat	2	(i) Baroda (ii) Bhavnagar
Total :	2	
5. Karnataka	9	(i) Dharwar (ii) Mercara (iii) Shimoga (iv) Belgaum (v) Raichur (vi) Hassan (vii) Chickmagalur (viii) Mysore (ix) Gulbarga
Total :	9	

6.	Kerala	5	<ul style="list-style-type: none"> (i) Quilon (ii) Kottayam (iii) Trichur (iv) Ernakulam (v) Cannanore
			<hr/>
		Total :	5
7.	Madhya Pradesh	7	<ul style="list-style-type: none"> (i) Raipur (ii) Jabalpur (iii) Gwalior (iv) Bhopal (v) Ratlam (vi) Khandwa (vii) Satna
			<hr/>
		Total :	7
8.	Maharashtra	10	<ul style="list-style-type: none"> (i) Akola (ii) Amraoti (iii) Aurangabad (iv) Goa (v) Jalgaon (vi) Kolhapur (vii) Nasik (viii) Sholapur (ix) Thane (x) Bombay
			<hr/>
		Total :	10
9.	Orissa	4	<ul style="list-style-type: none"> (i) Sambalpur (ii) Berhampur (iii) Barbil (iv) Rourkela
			<hr/>
		Total :	4
10.	Punjab	8	<ul style="list-style-type: none"> (i) Jullundur (ii) Batala (iii) Patiala (iv) Yamunanagar (v) Panipat (vi) Ambala (vii) Simla (viii) Ludhiana
			<hr/>
		Total :	8

11. Rajasthan 5

- (i) Kota
- (ii) Jodhpur
- (iii) Ajmer
- (iv) Udaipur
- (v) Bikaner

Total : 5

12. Tamil Nadu 14

- (i) Vellore
- (ii) Pondicherry
- (iii) Kumbakonam
- (iv) Trichy
- (v) Sivakasi
- (vi) Tirunelveli
- (vii) Nagercoil
- (viii) Coonoor
- (ix) Ooty
- (x) Tiruppur
- (xi) Salem
- (xii) Pollachi
- (xiii) Chengalpattu
- (xix) Erode

Total : 14

13. Uttar Pradesh 6

- (i) Lucknow
- (ii) Bareilly
- (iii) Agra
- (iv) Allahabad
- (v) Dehradun
- (vi) Gorakhpur

Total : 6

14. West Bengal 9

- (i) Darjeeling
- (ii) Jalpaiguri
- (iii) Mal
- (iv) Alipurduar
- (v) Midnapur
- (vi) Serampore
- (vii) Burdwan
- (viii) Birbhu
- (ix) Howrah

Total : 9

Grand Total : 102

APPENDIX 'D'

Industries/Classes of Establishments to which the Employees' Provident Funds and
Miscellaneous Provisions Act, 1952 Applied on 31st March, 1981

(Both exempted and unexempted establishments)

<i>Date of Extension</i>	<i>Industry/Class of establishments</i>	<i>No. of establish- ments</i>	<i>No. of subscribers</i>
(1)	(2)	(3)	(4)
1st November, 1952 (1 to 6A)	1. Cement	128	92,945
	2. Cigarettes	27	22,607
	3. Electrical, Mechanical or General Engineering products	20,148	20,71,016
	4. Iron and Steel	781	3,42,081
	5. Paper	542	1,14,905
	6. Textiles (made wholly or in part of cotton or wool or jute or silk whether natural or artificial)	7,445	16,39,395
	6-A. Jute	89	2,92,968
31st July, 1956 (7 to 19)	7. Edible oils and fats	2,017	89,936
	8. Sugar	1,726	3,02,735
	9. Rubber and rubber products	1,000	1,18,163
	10. Electricity including generation, transmission and distribution thereof	1,316	5,25,106
	11. Tea (except in the State of Assam where the Govt. of Assam have instituted a separate Provident Fund Scheme for the Industry including plantations)	562	3,13,070
	12. Printing (other than printing industry relating to newspaper establishments as defined in the Working Journalists (Con- ditions of Service and Misc. Provisions Act, 1955) includ- ing the process of composing, types for printing, printing by letter press, lithography, photo- gravure or similar process or book binding)	2,290	1,24,790
	13. Stone-ware pipes	65	5,059
	14. Sanitarywares	33	5,978
	15. Electrical porcelain insulators of high and low tension	77	1,53,474
	16. Refractories	222	49,203
	17. Tiles	820	39,738
	18. Matches	563	43,756

(1)	(2)	(3)	(4)
	19. Glass	465	58,530
	Note : Till the 31st March, 1962 the Scheme was not applicable to the following :—		
	i. Match factories having annual production of five lakh gross boxes of matches or less.		
	ii. Such glass factories other than sheet glass shell factories as have an installed capacity of 600 tonnes per month or less.		
30th September, 1956 (20 to 23)	20. Heavy and fine chemicals including :—	3,218	3,97,800
	(i) Fertilizers,		
	(ii) Turpentine,		
	(iii) Rosin,		
	(iv) Medical and pharmaceutical preparations,		
	(v) Toilet preparations,		
	(vi) Soaps,		
	(vii) Inks,		
	(viii) Intermediates, dyes, colour lacs and toners,		
	(ix) Fatty acids; and oxygen, acetylene and carbondioxide gases :—		
	(The Act was actually enforced in this industry with effect from the 31st July, 1957)		
	21. Indigo	5	447
	22. Lac including shellac	79	1891
	23. Non-edible vegetable and animal oils and fats	119	4,814
31st December, 1956	24. Newspaper establishments	307	48,355
31st January, 1957	25. Mineral oil	23	12,678
30th April, 1957 (26 to 30A)	26. Tea plantations (other than the tea plantations in the State of Assam).	554	1,52,311
	27. Coffee Plantations	2179	53,584
	28. Rubber Plantations	308	29,033
	29. Cardamom Plantations	269	5,866
	30. Pepper Plantations	11	454
	30-A. Mixed Plantations	93	11,610
30th November, 1957 (31 to 37)	31. Iron Ore Mines	274	33,374
	32. Manganese Mines	309	58,619

(1)	(2)	(3)	(4)
	33. Limestone Mines	218	59,086
	34. Gold Mines	2	12,371
	35. Industrial and Power Alcohol	41	9,005
	36. Asbestos Cement Sheets	21	8,570
	37. Coffee curing establishments	29	7,967
30th April, 1958	38. Biscuit making industry including composite units making biscuits, such as bread, confectionery and milk and milk powder	239	17,372
30th April, 1959	39. Road Motor Transport Establishments	2,824	4,83,987
31st May, 1960 (40 to 41)	40. Mica Industry	172	9,638
	41. Mica Mines	405	24,729
30th June, 1960 (42 to 43)	42. Plywood	173	27,353
	43. Automobile repairing and servicing	992	1,25,228
31st December, 1960 (44 to 46)	44. Rice Milling	2,869	50,687
	45. Dal Milling	397	10,925
	46. Flour Milling	213	10,158
31st May, 1961	47. Starch	59	4,088
30th June, 1961 (48 to 52)	48. Hotels	3,186	1,07,472
	49. Restaurants	883	20,812
	50. Establishments engaged in the storage or transport or distribution of petroleum or natural gas or products of either petroleum or natural gas	166	16,052
	51. Petroleum or natural gas exploration, prospecting, drilling or production	16	14,710
	52. Petroleum or natural gas refining	26	32,060
31st July, 1961 (53 to 57)	53. Cinemas including preview theatres	1894	52,414
	54. Film production	31	886
	55. Film Studios	106	4,940
	56. Distribution concerns dealing with exposed films	101	5,400
	57. Film processing laboratories	21	1,070
31st August, 1961	58. Leather and leather products	917	62,855
30th Nov., 1961 (59 to 60)	59. Stone ware jars	25	862
	60. Crockery	126	8,311
31st December, 1961	61. Every cane farm owned by the owner or occupier of a sugar factory or cultivated by such owner or occupier or any person on his behalf	19	2,497

(1)	(2)	(3)	(4)
30th April, 1962	62. Every trading and commercial establishment engaged in the purchase, sale or storage of any goods including establishment of exporter, importer, advertiser, commission agents and brokers and commodity and stock exchanges, but not including Banks or warehouses established under any Central or State Act.	12,109	8,08,197
30th June, 1962	63. Fruit and vegetable preservation	153	11,040
30th Sept., 1962	64. Cashewnuts	497	2,38,192
31st October, 1962 (65 to 69)	65. Establishments engaged in the processing or treatment of wood including manufacture of hardboard or chipboard, jute or textile wooden accessories, cork products, wooden furniture, wooden sports goods, cane or bamboo products, wooden battery separators	420	9,916
	66. Saw Mills	801	18,574
	67. Wood seasoning kilns	16	760
	68. Wood preservation plants	18	565
	69. Wood Workshops	555	18,602
31st Dec., 1962	70. Bauxite Mines	29	6,604
31st March, 1963 (71 to 76)	71. Confectionery	121	5,948
	72. Laundry and laundry services	215	8,315
	73. Buttons	27	1,090
	74. Brushes	33	1,709
	75. Plastic and plastic products	1,118	55,500
	76. Stationery products	149	7,607
31st May, 1962 (77 to 79)	77. Theatre where dramatic performances or other forms of entertainments are held and where payment is required to be made for admission as audience or spectators.	27	541
	78. Societies, clubs or associations which provide board or lodging or both or facility for amusement or any other service to any of their members or to any of their guest on payments.	256	14,075
	79. Companies, societies, associations, clubs or troupes which give any exhibition or acrobatic or other performances or both, in any arena circular or otherwise or perform or permit any other form of entertainment in any place other than a	93	5390

(1)	(2)	(3)	(4)
	theatre, and require payment for admission into such exhibition or entertainment as spectators or audience.		
31st August, 1963 (80 to 81)	80. Canteens.	450	14,147
	81. Aerated water, soft drinks or carbonated water.	117	7,257
31st October, 1963	82. Distilling and rectifying of spirits (not falling under industrial and power alcohol) and blending of spirits.	42	4,476
31st January, 1964 (83 to 84)	83. Paint and Varnish.	127	14,461
	84. Bone crushing.	71	4,039
30th June, 1964 (85 to 86)	85. Pickers	21	677
	86. China Clay Mines	65	4,757
31st October, 1964 (87 to 92)	87. Attorneys as defined in the Advocates Act, 1961 (25 of 1961).	53	2180
	88. Chartered or registered Accountants as defined in the Chartered Accountants Act, 1949 (38 of 1949).	80	2,986
	89. Cost and Works Accountants within the meaning of the Cost and Works Accountants Act, 1959 (23 of 1959).	—	—
	90. Engineers and Engineering contractors not being exclusively engaged in building and construction industry.	445	18,950
	91. Architects.	64	1,579
	92. Medical Practitioners and Medical Specialists.	186	5,637
31st December, 1964	93. Milk and milk products.	352	50,004
31st January, 1965	94. Travel agencies engaged in :—	132	5,192
	(i) booking of international air and sea passages and other travel arrangements, and		
	(ii) booking of internal air and mail passages and other travel arrangements, and		
	(iii) forwarding and clearing of cargo from and to overseas and within India.		
	95. Forwarding agencies engaged in the collecting, packing, forwarding or delivery of any goods including carloading, break-bulk service and foreign freight service	183	7,036

(1)	(2)	(3)	(4)
	96. Non-ferrous metals and alloys in the form of ingots	53	11,436
31st March, 1965	97. Bread	109	6,023
30th June, 1965	98. Stemming, redrying, handling, sorting, grading or packing of tobacco leaf	501	1,03,432
31st July, 1965	99. Agarbattee (including dhoop and dhoop-battee)	172	5,743
31st August, 1956	100. Magnesite Mines	4	504
30th September, 1965	101. Coir (excluding the spinning sector)	89	3,418
31st December, 1965	102. Stone quarries producing roof and floor slabs, dimension stones, monumental stones and mosaic chips.	278	7,299
31st January, 1966	103. Bank doing business in one State or Union Territory and having no departments or branches outside that State or Union Territory	756	1,28,484
30th June, 1966	104. Tobacco Industry that is to say any industry engaged in the manufacture of Cigars, Zarda, Snuff, Quivam and Guraku from Tobacco	600	20,242
31st July, 1966	105. Paper products	333	18,213
30th September, 1966	106. Licenced salt	265	12,668
30th April, 1967 (107 to 108)	107. Linoleum	2	1,524
	108. Indoleum	—	—
31st July, 1967	109. Explosives	25	14,403
31st August, 1967	110. Jute baling or pressing	32	7,181
31st October, 1967	111. Fireworks and percussion capworks	92	3,190
30th November, 1967	112. Tent making	17	284
31st August, 1968 (113 to 119)	113. Barytes Mines	19	1,003
	114. Dolomite Mines	23	955
	115. Fireclay Mines	28	1,139
	116. Gypsum Mines	8	249
	117. Kyanite Mines	4	703
	118. Silliminite Mines	—	—
	119. Steatite Mines	46	1,760
31st December, 1968	120. Cinchona Plantations	14	5,248
30th April, 1969	121. Ferro Manganese	9	2,930
30th June, 1969 (122 to 123)	122. Ice or Ice-Cream	96	2,851
	123. Diamond Mines	1	793
31st January, 1970	124. General Insurance business	99	35,171
31st May, 1971	125. Establishments rendering expert service such as supplying of personnel, advice on domes-	287	17,577

(1)	(2)	(3)	(4)
	tic or departmental enquiries, special services in rectifying pilferage, thefts and pay roll irregularities to factories and establishments on certain terms and conditions as may be agreed upon between the establishments and establishments rendering expert services.		
30th November, 1971	126. Factories engaged in winding of thread and yarn reeling.	42	4,317
31st March, 1972	127. Railway Booking Agencies run by contractors or other private establishments on commission basis.	49	14,293
30th September, 1972	128. Cotton ginning, baling and pressing.	1,749	40,234
31st March, 1973	129. Every mess, not being a military mess.	177	6,925
31st May, 1973	130. Katha making.	13	4,015
31st August, 1973	131. Establishments known as hospitals run by any individual association or institution.	773	44,397
30th April, 1974	132. Beer manufacturing	28	3,002
30th September, 1974	133. Sorting, cleaning & teasing of cotton waste.	12	148
30th November, 1974 (134 to 135)	134. Societies, clubs and associations which render service to their members, without charging any fees over and above the subscription fee or membership fee.	166	6,922
	135. Garments making factories.	412	23,957
31st December, 1974	136. Agricultural farms, fruit orchards, botanical gardens and zoological gardens.	717	35,449
30th June, 1975	137. Soap-stone mines and establishments engaged in the grinding of soap-stone.	10	1,355
31st July, 1976 (138 to 150)	138. Apatite Mines.	3	10
	139. Asbestos Mines.	4	95
	140. Calcite Mines.	2	107
	141. Ball-clay Mines.	39	396
	142. Corundum Mines	—	—
	143. Emerald Mines.	—	—
	144. Feldspar Mines.	—	—
	145. Silica (sand) Mines.	10	127
	146. Quartz Mines.	14	509
	147. Ochre Mines.	4	293

(1)	(2)	(3)	(4)
	148. Chromite Mines.	12	750
	149. Graphite Mines.	12	16
	150. Fluorite Mines.	—	—
28th February, 1977 (151 to 153)	151. Establishments which are factories engaged in the manufacture of glue and gelatine.	13	590
	152. Stone quarries producing stone chips, stone sets, stone boulders and ballasts.	329	5,481
	153. Establishments engaged in fish processing and non-vegetable food preservation industry including bacon factories and pork processing plants.	33	1,460
31st May, 1977	154. Establishments engaged in manufacture of beedi.	1063	4,35,291
31st December, 1978	155. Financing establishments (other than Banks) engaged in the activities of borrowing, lending, advancing, of Monetary Transactions with a view to earn interest.	57	4,145
31st January, 1979	156. Lignite Mines.	—	—
31st July, 1979	157. Ferro Chrome.	—	—
31st May, 1980 (158 to 160)	158. Diamond Cutting.	166	115
	159. Quartzite Mines.	—	—
	160. Inland water transport establishments.	3	529
31st October, 1980 (161 to 162)	161. Building & Construction.	138	8,600
	162. Manufacture of Myrobalan. Extract Powder, Myrobalan extract solid & vegetable tannin blended extract.	—	—
30th November, 1980	163. Brick On voluntary basis	34 5,422	171 2,75,790
	Total	98,727	1,10,97,691

APPENDIX—E

List of industries/classes of establishments in respect of which the statutory rate has been enhanced to 8% of pay.

Note :—This enhanced rate is applicable to factories/establishments employing 50 or more persons.

1st January, 1963 (1 to 4)	(1) Cigarettes;
	(2) Electrical, Mechanical or general engineering products;
	(3) Iron and Steel;
	(4) Paper other than handmade paper;
1st April, 1963	(5) Cement;
1st November, 1963 (6 to 23)	(6) Textiles (made wholly or in part of artificial silk and wool);
	(7) Matches;
	(8) Edible oils and fats, other than Vanaspati;
	(9) Rubber and rubber products;
	(10) Electricity including the generation, transmission and distribution thereof;
	(11) Tea;
	(12) Printing other than Printing Industry relating to newspaper establishments and defined in the Working Journalists (Conditions of Service) and Miscellaneous Provisions Act, 1955 including the process of composing types for printing by letter-press, Lithography, photogravure or other similar process or book-binding.
	(13) Glass;
	(14) Stone-Ware pipes;
	(15) Sanitarywares;
	(16) Electrical porcelain insulators of high and low tension;
	(17) Refractories;
	(18) Tiles;
	(19) Heavy and fine chemicals excluding fertilizers but including the following:
	(a) Turpentine;
	(b) Rosin;
	(c) Medical and pharmaceutical preparations;
	(d) Toilet preparations;
	(e) Soaps;
	(f) Inks;
	(g) Intermediates, dyes, colour lakes and toners;
	(h) Fatty acids and oxygen, acetylene and carbondioxide gases;
	(20) Indigo;
	(21) Non-edible vegetable and animal oils and fats;
	(22) Mineral oils refining;
	(23) Newspaper establishments;
1st Dec., 1963	* (24) Textiles (made wholly or in part of cotton);
1st Feb., 1965 (25 to 31)	(25) Tea plantations (other than the tea plantations in the State of Assam);
	(26) Rubber Plantations;
	(27) Cardamom Plantations;
	(28) Pepper Plantations;
	(29) Limestone mines;
	(30) Industrial and power alcohol;
	(31) Asbestos cement sheets;

1st June, 1965

1st Sep., 1965

1st April, 1966

1st June, 1966
(35 to 41)

1st August, 1966

1st Jan., 1967

(43 to 56)

1st July, 1967
(57 to 73)

- (32) Coffee plantations;
- (33) Coffee curing establishments;
- *(34) Textiles made wholly or in part of natural silk;
- (35) Biscuit making industry, including composite units making biscuits and products such as bread, confectionery and milk and milk powder;
- (36) Plywood;
- (37) Automobile repairing and servicing;
- (38) Rice milling;
- (39) Dal milling;
- (40) Flour milling;
- (41) Road motor transport establishments;
- (42) Sugar;
- (43) Hotels;
- (44) Restaurants;
- (45) Establishments engaged in the storage or transportation or distribution of petroleum or natural gas or products or either petroleum or natural gas;
- (46) Cinemas including preview theatres;
- (47) Film Studios;
- (48) Film production concerns;
- (49) Distribution concerns dealing with exposed films;
- (50) Film processing laboratories;
- (51) Every cane farm owned by the owner or occupier of a sugar factory or cultivated by such owner or occupier or any person on his behalf;
- (52) Starch;
- (53) Petroleum or natural gas exploration prospecting drilling production;
- (54) Leather and leather products;
- (55) Stoneware;
- (56) Crockery;
- (57) Trading and Commercial establishments engaged in the purchase, sale or storage of any goods, including establishment of exporters, importers, advertisers, commission agents and exchanges, but not including banks or warehouses established under any Central or State Act;
- (58) Establishments engaged in the processing or treatment of wood including manufacture of hardboard or chipboard, jute or textile wooden accessories, cork products, wooden sports goods, cane or bamboo products, wooden battery separators;
- (59) Saw mills;
- (60) Wood seasoning kilns;
- (61) Wood preservations plants;
- (62) Wood workshops;
- (63) Bauxite mines;
- (64) Laundry and laundry services;
- (65) Theatres where dramatic performances or other forms of entertainments are held and where payment is required to be made for admission as audience or spectators;
- (66) Societies, clubs or associations which provide boarding or lodging or both or facility for amusement or any other service to any of their members or to any of their guests on payment;

		(67)	Companies, societies, associations, clubs or troupes which give any exhibition of acrobatic or other performance or both, in any arena circular or otherwise or perform or permit any other form of entertainment in any place, other than a theatre, and require payment for admission into such exhibition or entertainment as spectators or audience;
		(68)	Fruit and vegetable preservation industry that is to say any industry which is engaged in the preparation or production of any of the following articles, namely : <ul style="list-style-type: none"> (i) Canned and bottled fruit juices and pulps; (ii) Canned and bottled vegetables; (iii) Frozen fruits and vegetables; (iv) Jams, jellies and marmalades; (v) Tomato products, ketchups and sausages; (vi) Squashes, crushes, cordials and ready to serve beverages or any other beverages containing fruit juice or fruit pulp; (vii) Preserved, candied and crystallised fruits and peals; (viii) Chutneys; (ix) Any other unspecified item relating to the preservation or canning of fruits and vegetables;
		(69)	Confectionery;
		(70)	Buttons;
		(71)	Brushes;
		(72)	Plastic and plastic products;
		(73)	Stationery products;
1st Jan., 1969 (74 to 83)		(74)	Attorneys, as defined in the Advocates Act, 1961 (25 of 1961);
		(75)	Chartered or registered Accountants as defined in Chartered Accountants Act, 1949 (38 of 1949);
		(76)	Cost and Works Accountants within the meaning of the Cost and Works Accountants Act, 1959 (23 of 1959);
		(77)	Engineers and engineering contractors not being exclusively engaged in building and construction industry;
		(78)	Architects;
		(79)	Aerated Water, Soft drinks or Carbonated Water;
		(80)	Distilling and rectifying of spirits (not falling under industrial and power alcohol) and blending of spirits;
		(81)	Paint and varnish;
		(82)	Pickers;
1st Feb. 1970 (84 to 85)		(83)	Milk and milk products;
1st March, 1970	@	(84)	Paper (handmade paper);
1st May, 1970	£	(85)	Edible oils and fats (vanaspati);
(87 to 92)	*	(86)	Jute industry;
		(87)	Travel agencies engaged in (i) booking of international air and sea passages and other travel arrangements; (ii) booking of internal air and mail passages and other travel arrangements and (iii) forwarding and clearing of Cargo from and to overseas and within India;
		(88)	Forwarding agencies engaged in the collection, packing, forwarding or delivery of any goods including carloading break-bulk service and foreign freight service;
		(89)	Magnesite mine;
		(90)	Stone quarries producing roof and Floor slabs, dimension stones, monumental stones and mosaic Chips;
		(91)	Non-ferrous metals and alloys in the form of ingots;
		(92)	Agarbattee (including dhoop and dhoopbatti);
28th Feb., 1973 (93 to 94)		(93)	Mica factories; and
		(94)	Mica mines;

Note : *These are parts of the industry mentioned at item (6)

@This is part of the industry mentioned at item (4)

£This is part of the industry mentioned at item (8)

Accordingly the enhanced rate has been applied to 89 industries/classes of establishments covered under the Act.

APPENDIX 'F'

Statement showing the details of unexempted establishments which were in default of Provident Fund dues of Rupees One Lakh and above (including arrears of Provident Fund contributions, Administrative Charges, Penal Damages, etc) as on the 31st March, 1981.

S. No.	Name of the establishment	Provident Fund in arrears (Rupees in lakhs)
(1)	(2)	(3)
(1) ANDHRA PRADESH		
1.	M/s. The Andhra Scientific Co. Ltd., Machilipatnam Krishna District	7.37
2.	M/s. Maintenance Workshop attached to Indian Airlines Corporation, Hyderabad	22.82
3.	M/s. Police Transport Organisation, Hyderabad	4.09
4.	M/s. Shalimar Biscuits, Hyderabad	2.32
5.	M/s. Azamjahi Mills Ltd, Warangal	17.48
6.	M/s. Tirupathi Cotton Mills Ltd, Renigunt	4.44
6		58.52
(2) NORTH EASTERN REGION		
7.	M/s. Assam Siliminite Ltd., Gauhati & Sonapahar, Kamrup District (2 Units)	3.11
8.	M/s. Assam Hardboard Ltd., Panihhaiti	1.03
2		4.14
(3) BIHAR		
9.	M/s. R.B. Hurdutory Motilal Jute Mills (P) Ltd., Katihar (Taken over by the National Jute Mfg. Corpn Ltd.,)	44.45
10.	M/s. Katihar Jute Mills Ltd., Katihar	49.59
11.	M/s. Tatanagar Foundry Works, Tatanagar (Jamshedpur)	1.97
12.	M/s. Kumardhubi Engg. Works, Dhanbad	3.88
13.	M/s. Arthur Butler & Co., Muzaffarpur	1.17
14.	M/s. Pradip Lamp Works, Patna	4.88
15.	M/s. Sitalapur Sugar Works Ltd., Vaishali Goraul (Bihar State Sugar Corpn. Ltd.)	3.83
16.	M/s. Tisri Mica Factory of M/s. C.M.I. Ltd., Domchanch, Giridih	2.90
17.	M/s. Bihar Sugar Works, Pachrukhi, Siwan	11.40
18.	M/s. Eastern Manganese & Minerals Ltd., Hazaribagh (Sister concern of M/s. C.M.I. Ltd.)	3.02
19.	M/s. Domchanch Main Mica Mine Factory of M/s. C.M.I. Ltd., Domchanch, Hazaribagh	9.58
20.	M/s. Jaishree Udyog (P) Ltd., Patna	1.72
21.	M/s. Dhanbad Central Co-op. Bank	1.92
22.	M/s. Gaya Textiles (P) Ltd., Gaya	3.12
23.	M/s. Khandelwai Glass Works, P.O. Ambona, Dhanbad	1.36
		103

(1)	(2)	(3)
24.	M/s. Katares Ceramic & Refractories P. Ltd., Dhanbad	3.83
25.	M/s. Chhabirani Agro Industrial Enterprises, Rohtas	1.85
26.	M/s. Reliance Fire-bricks & Potteries Works, Dhanbad	18.89
	<u>18</u>	<u>169.36</u>
(4) DELHI		
27.	M/s. Bharat Overseas (P) Ltd., New Delhi	1.34
28.	M/s. Adhoha Auto & General Industries (Private) Ltd., New Delhi	1.67
29.	M/s. National Chemical Industries Ltd., New Delhi	1.63
	<u>3</u>	<u>4.64</u>
(5) GUJARAT		
30.	M/s. The New Maneck Chowk Spinning & Weaving Co. Ltd., Ahmedabad. (New M/s. Maneck Chowk Textile Mills, under N.T.C.)	5.49
31.	M/s. Petlad Textile Mills Co. Ltd., Petlad (Old M/s. Keshav Mills Co. Ltd., Petlad under N.T.C.)	3.55
32.	M/s. Raj Nagar Spg. Wvg. & Mfg. Co. Ltd., Mills No. 1, Ahmedabad (Now M/s. Rajnagar Textile Mills No. 1, under N.T.C.)	1.74
33.	M/s. Rajnagar Spg. Wvg. & Mfg. Co. Ltd., Mills No. 2, Ahmedabad (Now M/s. Rajnagar Textile Mills No. 2, under N.T.C.)	2.50
34.	M/s. Shri Kesharya Investment Ltd. Baroda (Now M/s. Priyalakshmi Mills)	22.07
35.	M/s. Maneck Chowk & Ahmedabad Mfg. Co. Ltd., Ahmedabad (in liquidation)	18.68
36.	M/s. Ahmedabad Eagle Engg. Enterprises (P) Ltd., Ahmedabad	1.22
37.	M/s. Sarabhai Technological Development Syndicate (P) Ltd., Baroda	2.19
38.	M/s. Chunnilal Foundry and Engg. Co, Cambay	1.47
39.	M/s. Shree Vrajesh Textiles (P) Ltd., Petlad	1.84
40.	M/s. Ahmedabad Laxmi Cotton Mills Co. Ltd., Ahmedabad	4.41
	<u>11</u>	<u>65.16</u>
(6) KARNATAKA		
41.	M/s. Metro Malleable Manufacturers (P) Ltd., Bangalore	4.30
42.	M/s. Mahadeva Textile Mills, Jayachamaraj Nagar, Hubli	7.03
43.	M/s. Great Durbar Beedi Works, Mangalore	2.52
44.	M/s. Nippon Electronics, Bangalore	2.28
45.	M/s. Mysore Tools	2.72
46.	M/s. Mantons Pvt. Ltd., Bangalore	2.35
47.	M/s. Bangalore Dress Mfg. Co., Bangalore	1.18
	<u>7</u>	<u>22.38</u>

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(7) KERALA

48.	M/s. Alagappa Textiles (Cochin) Ltd., Alagappa Nagar, Trichur	9.15
49.	M/s. Cannanore Spg. & Wvg. Mills Ltd., Mahe	2.83
50.	M/s. Malabar Spg. & Wvg. Mills Ltd., Kozhikode	2.02
51.	M/s. Ranimudi Tea Estate Dn. No. IV, Peermade P.O.	3.18
52.	M/s. Arthola Tea Estate, Manjeri	2.10
53.	M/s. Panmudi Estate	4.27
54.	M/s. Mallamallay Tea Estate	1.41
55.	M/s. Malabar Motor Transport Co.-op. Society Ltd., Ex-Servicement, Kozhikode (Calicut)	5.60
56.	M/s. Kerala Goods Transport Co-operative Society, Trivandrum	1.53
57.	M/s. S.R.V. Press & Publications (P) Ltd., Quilon	1.06
58.	M/s. Janayugam Publications Ltd.,	1.61
59.	M/s. Cochin Malleable (P) Ltd., Trichur	2.42
60.	M/s. Metropolitan Engg. Co., Trivandrum	1.34
61.	M/s. Beunton & Co. Engg., Cochin	1.99
62.	M/s. Modern Tiles & Clay Works, Feroke, Kozhikode (Calicut)	1.99
63.	M/s. Kerala Ceramics, Kozhikode (Calicut)	5.90
64.	M/s. Kerala Ceramics & Tiles, Calicut	2.65
65.	M/s. Chedi Mane Beedi Co., Palghat	1.51
66.	M/s. Maigin Beedi Co., Calicut	1.65
67.	M/s. Apple Photo Beedi, Alathur	2.95
68.	M/s. Modern Woodcrafts, Tellicherry	2.42
<hr/> 21		<hr/> 59.58

(8) MADHYA PRADESH

69.	M/s. Indore Malwa United Mills, Indore	99.17
70.	M/s. Kalyanmal Mills, Indore	33.80
71.	M/s. Swadeshi Cotton & Flour Mills, Indore	47.96
72.	M/s. Hira Mills, Ujjain	33.83
73.	M/s. Bengal Nagpur Cotton Mills, Rajnandgaon	16.92
74.	M/s. New Bhopal Texties Mills, Bhopal	24.56
75.	M/s. Indore Textile Ltd., Ujjain	6.78
76.	M/s. Bhandari Iron & Steel Co. Pvt. Ltd., Indore	1.52
77.	M/s. Sound Zweired Union (India) Pvt. Ltd., Jhansi	5.63
78.	M/s. J. B. Mangharam & Co. (Pvt.) Ltd., Gwalior	9.15
<hr/> 10		<hr/> 279.32

(9) MAHARASHTRA

79.	M/s. Shamsheer Sterling Cable Corp. Ltd., Bombay-86	2.86
80.	M/s. Jaifabs Textile Mills (P) Ltd., Bombay-86	10.15
81.	M/s. Eastern Machinery & Trading Co., Bombay-1	1.01
82.	M/s. Pioneer Rubber Mills Bombay (P.) Ltd., Bombay	3.65
83.	M/s. Woollen & Textile Industries, Bombay-78	3.60
		105

(1)	(2)	(3)
84.	M/s. Shivraj Fine Arts Litho Works, Nagpur	9.69
85.	M/s. Dhulia Textiles Mills, Dhulia, (M/s. New Partap Spg. & Wvg. Mills Co., Dhulia)	10.70
86.	M/s. Nanded Textile Mills, Nanded	6.81
87.	M/s. R. S. R. G. Mohatta Spg. & Wvg. Mills, Akola	5.05
88.	M/s. Savatram Ramprasad Spg. & Wvg. Mills, Akola	3.44
89.	M/s. R. B. Bansilal Abirchand Spg. & Wvg. Mills Ltd., Hinganghat, Wardha.	1.11
90.	M/s. Ogale Glass Works, Ogalewadi, Distt. Satara	28.28
91.	M/s. Yaswant Textile Pvt. Ltd., Nagpur	2.13
92.	M/s. Capco Pvt. Ltd., Bombay	2.74
93.	M/s. Digvijay Spg. & Wvg. Co. Ltd., Bombay-33	13.55
94.	M/s. Bharat Textile Mills, Bombay	14.94
95.	M/s. India United Group of Mills, Bombay	105.61
96.	M/s. New India Rayon Mills Co. Ltd., Bombay-12	17.41
97.	M/s. Phoenix Mills Ltd., Lower Parel, Bombay	34.53
98.	M/s. Sayaji Mills Ltd., Bombay	1.90
99.	M/s. National Cotton Products Pvt. Ltd.	1.25
100.	M/s. Hindustan Wire Netting Co. Pvt. Ltd., Thane, Bombay	9.30
101.	M/s. Shree Sitaram Mills Ltd., Bombay	57.09
102.	M/s. Dhanraj Mills Pvt. Ltd., Bombay	1.08
103.	M/s. New Kaiser-I-Hind Spg. & Wvg. Mills Co. (P) Ltd., Bombay	20.61
104.	M/s. Sakseria Cotton Mills Ltd., Bombay	18.12
105.	M/s. Shyam International, Bombay	1.36
106.	M/s. Structural Engg. Works Ltd., Mulund, Bombay	5.21
107.	M/s. Garment Cleaning Works, Bombay	2.54
108.	M/s. Bradbury Mills Ltd., Bombay	119.94
109.	M/s. Globe Auto Electrical Ltd, Bombay	10.65
110.	M/s. Hind Cycles Ltd., Bombay	21.22
111.	M/s. Ellora Silk Mills, Thana	3.39
112.	M/s. Universal Mechanical Works (P) Ltd., Bombay	2.68
113.	M/s. Ambica Glass Works (P) Ltd., Thana, Bombay	2.69
114.	M/s. Stretchlon Pvt. Ltd., Bombay	2.38
	36	558.67

(10) ORISSA

115.	M/s. Kedar Mull & Sons, Rourkela	1.73
116.	M/s. Rourkela Elect. Divn., Rourkela	1.55
117.	M/s. Orissa Textile Mills Ltd., Chaudwar, Cuttack	25.28
118.	M/s. Kalinga Industries Ltd., Cuttack	1.47
119.	M/s. Orissa Industries Ltd., Basang	1.32
120.	M/s. Durga Glass Works (P) Ltd., Basang	2.18
121.	M/s. B. Patnaik Mines (P) Ltd.	2.11
122.	M/s. Jajpur Road Elect. Dv., Jajpur	3.57
123.	M/s. Orissa Fertilizer & Chemicals Ltd.	2.44
124.	M/s. Orissa Road Transport Co. Ltd.	7.84
	10	49.49

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(11) PUNJAB

125.	M/s. Globe Steels, Ballabgarh	2.51
126.	M/s. Pearl Cycle Industries (Pvt) Ltd., Ballabgarh	2.04
127.	M/s. Laxmirattan Engg. Works Ltd., Faridabad	3.22
128.	M/s. Bengal National Textile, Faridabad	1.77
129.	M/s. Kharar Textile Mills, Kharar (Ropar)	2.14
130.	M/s. Panipat Woollen Mills, Kharar (Ropar)	2.02
131.	M/s. Bee Gee Corpn. Pvt. Ltd., Patiala	1.72
132.	M/s. Daulat Industries Corpn. Pvt. Ltd., Ludhiana	1.08
133.	M/s. Ambala Bus Syndicate Pvt. Ltd., Ropar	4.11
134.	M/s. Post Graduate Institute of Medical Education & Research, "Chandigarh"	204.15
135.	M/s. S.J. Knitting & Finishing Mills, Faridabad	2.18
136.	M/s. Himachal Shoddy Mills, Badrinagar Ponta Sahib "(Himachal Pradesh)"	1.39
137.	M/s. Shoes Production Centre, Karnal	1.80
138.	M/s. Regional Fruit Research Station P.O. Mashobra	1.03
139.	M/s. Haryana Tourism Corpn., Chandigarh	3.63
140.	M/s. Prestolite of India Ltd., Faridabad	3.24
141.	M/s. Anand Synthetics Ltd., Faridabad	2.83
142.	M/s. Punjstar Standard Electronics Ltd., Mohali	1.31
<hr/> 18		<hr/> 242.22

(12) RAJASTHAN

143.	M/s. Dholpur Glass Works, Dholpur	1.48
144.	M/s. Kamala Asbestos Cement Industries, Beawar	1.07
145.	M/s. Railway Employees' Co-op. Society Ltd., Jodhpur	2.37
<hr/> 3		<hr/> 4.92

(13) TAMIL NADU

146.	M/s. Sri Bharathi Mills Ltd., Pondicherry	24.63
147.	M/s. Anglo French Textiles Ltd.	4.43
148.	M/s. Binny Ltd., Madras	1.04
149.	M/s. Chitram & Coy., Madras	5.63
150.	M/s. Thirunagal Texiles Ltd.	1.49
151.	M/s. S.R.C. Mills Ltd., Tirupur	6.60
152.	M/s. Kaleeswarar Mills Ltd., Coimbatore	13.36
153.	M/s. Somsundaram Mill (P) Ltd., Coimbatore	26.60
154.	M/s. Kaleeswarar Mills 'B' Unit, Ramnad Distt.	1.47
155.	M/s. Somasundaram Super Spg. Mills, Ramnad Distt.	3.13
156.	M/s. Coimbatore Spg. & Wvg. Co. Ltd., Coimbatore	8.94
157.	M/s. Kadri Mills Ltd., Coimbatore	8.90
158.	M/s. Coimbatore Murugan Mills Ltd.	2.01
159.	M/s. Gnanambikai Mills Ltd., Coimbatore	2.47
160.	M/s. Kasthuri Mills Ltd., Coimbatore	8.47
		107

(1)	(2)	(3)
161.	M/s. Pankaja Mills Ltd., Coimbatore	7.51
162.	M/s. Srisarada Mills Ltd., Coimbatore	2.20
163.	M/s. Vijayalakshmi Mills Ltd., Coimbatore	2.26
164.	M/s. Textool Co. Ltd., Coimbatore	13.23
165.	M/s. Janardhana Mills (P) Ltd., Coimbatore	12.45
166.	M/s. Mahalakshmi Textiles Ltd., Madurai	19.61
167.	M/s. Swamy Motors (P) Ltd., Thanjavur	1.21
168.	M/s. Karur Mills Ltd., Karur	1.72
169.	M/s. United Bleachers, Coimbatore	3.37
170.	M/s. Pilot Pen Co. (P) Ltd., Madras	11.01
171.	M/s. Enfield India Ltd., Madras	11.99
172.	M/s. Rajarathna Mills Ltd., Madurai	1.65
173.	M/s. Standard Machine Tools (P) Ltd.	1.27
174.	M/s. Corpn. of Madras, Malaria Deptt.	1.21
175.	M/s. Kodanad Tea Estates, Nilgiris	1.64
176.	M/s. Marudamalai Sri Murugan Textile (formerly M/s. Sri Pajamalai Ranganathan Mills Ltd.), Coimbatore	1.41
177.	M/s. Measureall Engg. Co. Ltd., Coimbatore	1.88
178.	M/s. Micro Tools Ltd., Thiruniravoor	1.17
179.	M/s. Annamalai University Engg. Deptt. Workshop, Chidambaram	3.89
180.	M/s. Coromandal Steels Ltd., Madras	2.05
181.	M/s. Prakash Mills (P.) Ltd., Coimbatore	1.28
182.	M/s. Bhavani Mills Ltd., Coimbatore	2.74
183.	M/s. M.L.J. Press, Madras	1.78
184.	M/s. Madras Machine Tools Ltd., Coimbatore	9.22
185.	M/s. Iris Engg. Industries (P.) Ltd., Coimbatore	2.17
186.	M/s. Excell Industries (P) Ltd., Coimbatore	1.02
187.	M/s. Chemch Engineers (P) Ltd., Madras	3.75
188.	M/s. Guindy Machine Tools (P) Ltd., Madras	1.63
189.	M/s. Indian Express (Madurai) P. Ltd., Madras	4.22
190.	M/s. Chrome Leather (P) Ltd., Madras	1.67
191.	M/s. Chemical Construction Co., Madras	2.19
192.	M/s. Madras Type Foundry, Madras	1.07
193.	M/s. Ramlok Co., Madras	1.36
194.	M/s. Tamil Nadu Magnesite Products Ltd., Salem	2.27
195.	M/s. Tamil Nadu State Farm Corpn. Ltd., Madras	1.88
196.	M/s. Garuda Chit & Trading Co., Madras	1.99
51		262.34

(14) UTTAR PRADESH

197.	M/s. Muir Mills Co., Ltd., Kanpur	2.19
198.	M/s. Victoria Mills, Kanpur	45.27
199.	M/s. Swadeshi Cotton Mills, Kanpur	21.11
200.	M/s. Laxmi Rattan Cotton Mills, Kanpur	31.43
201.	M/s. Atherton West Co., Kanpur	43.51
202.	M/s. Laxmi Rattan Engg. Works, Kanpur	3.54
203.	M/s. Moradabad Spg. & Wvg. Mills, Moradabad	5.93

(1)	(2)	(3)
204.	M/s. Ruby Industries, Kanpur	2.08
205.	M/s. Kshtriya Shri Gandhi Ashram, Moradabad	73.58
206.	M/s. Ajudhia Sugar Mills, Moradabad	10.27
207.	M/s. Bijli Cotton Mills, Hathras	15.99
208.	M/s. Indian Trading Co., Aligarh	1.41
209.	M/s. H.R. Sugar Factory, Nekpur, Bareilly	12.03
210.	M/s. Postal Seal Co-operative Society, Aligarh	4.13
211.	M/s. Tiger Lock, Aligarh	4.44
212.	M/s. Tiger Hardware & Tools Ltd., Aligarh	11.02
213.	M/s. Tiger Products (P) Ltd., Aligarh	4.63
214.	M/s. U. P. Bundelkhand Vikas Nigam, Jhansi	1.02
215.	M/s. R. R. Steels Alloys, Bareilly	1.08
216.	M/s. Associated Journals Ltd., Lucknow	4.71
217.	M/s. Christian Hospital, Etah	1.89
218.	M/s. Gandhi Eye Hospital, Aligarh	6.55
219.	M/s. Meerut Straw Board, Meerut	4.88
220.	M/s. Lord Krishna Textile Mills Ltd., Saharanpur	5.89
221.	M/s. U. P. State Sugar Corporation Mohinddinpur (Meerut)	1.54
222.	M/s. Jaswant Sugar Mills, Meerut	22.00
223.	M/s. Amritsar Sugar Mills, Muzaffarnagar	2.55
224.	M/s. Panniji Sugar & General Mills, Bulandsahar	2.59
225.	M/s. Durga Enterprises (P) Ltd., Ghaziabad	1.62
226.	M/s. U. P. Steels Ltd., Muzaffarnagar	2.33
227.	M/s. Rainbow Steels, Muzaffarnagar	1.87
228.	M/s. U.P. State Sugar Corporation Ltd., Bahraich	19.61
229.	M/s. U.P. State Sugar Corporation Ltd., Ramkola, Deoria	4.73
230.	M/s. Mahabir Sugar Mills, Gorakhpur	15.80
231.	M/s. Laxmi Devi Sugar Mills, Chhitauni, Deoria	15.06
232.	M/s. Sakseria Sugar Mills Ltd., Gonda	18.85
233.	M/s. Electricity Transmission U.P. State Electricity Board, Muzaffarnagar	1.23
234.	M/s. U.P. State Sugar Corporation Ltd., Burhwal	10.59
235.	M/s. U.P. State Sugar Corporation Ltd., Barabanki	5.29
236.	M/s. Allahabad Glass Works Ltd., Naini, Allahabad	2.13
237.	M/s. Naini Glass Works, Naini, Allahabad	1.22
238.	M/s. Metal Goods Mfg., Varanasi	2.82
239.	M/s. R.K. Mills, Mirzapur	61.12
43		452.03

(15) WEST BENGAL

240.	M/s. Arati Cotton Mills, Howrah	3.05
241.	M/s. All India General Transport, Calcutta	2.05
242.	M/s. Atlas Works (P) Ltd., Calcutta	4.85
243.	M/s. Associated Aesby Industry, Calcutta	6.23
244.	M/s. Appolo Zipper (P) Ltd., Calcutta	1.23
245.	M/s. Agrind Fabrication, Calcutta	3.15
246.	M/s. Alfamech (P) Ltd., Howrah	1.34
247.	M/s. Ambari T. Estate, Calcutta	1.38
		109

(1)	(2)	(3)
248.	M/s. Allied Resin & Chemicals	2.16
249.	M/s. Bangeswari Cotton Mills	9.82
250.	M/s. Bengal Fine Spg. & Wvg. Mills, Hooghly	7.60
251.	M/s. Bengal Textile Mills, Murshidabad	1.83
252.	M/s. Bengal Laxmi Cotton Mills, Hooghly	29.33
253.	M/s. Belur Glass Works, Howrah	2.66
254.	M/s. Bengal Mills Agency, Calcutta	1.47
255.	M/s. Basumati Corporation, Calcutta	1.00
256.	M/s. Bharat Jute Mills, Dasnagar	8.75
257.	M/s. Bertrams Scott & Co., Titagarh, 24 Parganas	18.39
258.	M/s. B.S. Engg. Co., Calcutta	3.41
259.	M/s. Britania Buildings & Iron Co., Calcutta	1.78
260.	M/s. Brahmachari Research Institute (P) Ltd., Calcutta	3.60
261.	M/s. Bharat Overseas (P) Ltd., Calcutta	7.03
262.	M/s. Bird & Co., Calcutta	29.50
263.	M/s. Bharati Chemical Works (K.M. Chemical), Calcutta	2.14
264.	M/s. Bangasree Cotton Mills, Sodepur	1.87
265.	M/s. Bright Wires Ltd., 24-Parganas	1.63
266.	M/s. Beech Tea Estate	1.19
267.	M/s. Bhatkawa T. Estate	1.39
268.	M/s. Bhatpara T. Estate	1.65
269.	M/s. Bangadaya Cotton Mills	6.09
270.	M/s. Carew & Co., Calcutta	1.46
271.	M/s. Calcutta Electric Lamp	1.36
272.	M/s. Calcutta Glass & Silicate Mfg., Calcutta	3.45
273.	M/s. Corporated Engineers (I) Ltd., Calcutta	1.05
274.	M/s. Canton Carpentry Works, Calcutta	12.04
275.	M/s. Coal Field Engg., Burdwan	1.13
276.	M/s. Cicco (P) Ltd., Calcutta	3.44
277.	M/s. Casting Corpn (I) Pvt. Ltd., Howrah	3.58
278.	M/s. Cadars Tea Estate	2.51
279.	M/s. Dem Dima T. Estate	1.53
280.	M/s. Dhakeswari Cotton Mills, Burdwan	8.98
281.	M/s. Dr. Paul Lohman (I) Ltd., Calcutta	1.27
282.	M/s. Dominion Rubber Works, Calcutta	3.28
283.	M/s. Damodar Iron & Steel	1.07
284.	M/s. Durgapur Fdy. & Engg. (Sanjib Engg. Co-op. Society Ltd.), Burdwan	1.50
285.	M/s. Eastern Type Foundry Ltd.	1.42
286.	M/s. Electrical Industries Corpn.	4.49
287.	M/s. East India Industries	1.54
288.	M/s. Ganges Printing Ink Factory	2.06
289.	M/s. Hilla Tea Estate, Jalpaiguri	6.07
290.	M/s. Howrah Engg. Concern	1.29
291.	M/s. Howrah Iron & Steel Works (P) Ltd.	5.12
292.	M/s. Indian Cycle Mfg. Co., Calcutta	3.38
293.	M/s. Indian Malleable Casting Ltd., Calcutta	4.86
294.	M/s. Mechanite Electrical Industry	4.20
295.	M/s. Majherdabri T. Estate, Jalpaiguri	14.10

(1)	(2)	(3)
296.	M/s. Metro Glass Works, Calcutta	2.05
297.	M/s. International Rubber Works, Calcutta	4.21
298.	M/s. Industrial Equipment (P) Ltd., Calcutta	2.20
299.	M/s. India Machinery Co. Ltd., Howrah	6.08
300.	M/s. India Rubber Mfg. Ltd.	5.65
301.	M/s. India Rubber Goods Mfg. Calcutta	3.79
302.	M/s. Indian Mechanisation and Allied Products	1.28
303.	M/s. Indo Amercianl Electrical	1.48
304.	M/s. Jyoti Weaving Factory, Calcutta	2.63
305.	M/s. Kolay Biscuit Co. Calcutta	4.07
306.	M/s. Kedar Rubber Ltd	1.53
307.	M/s. Krishna Silicate & Glass Works, Calcutta	2.87
308.	M/s. Kumai Tea Estate, Jalpaiguri	2.33
309.	M/s. Kanoria Industries, Hooghly	1.24
310.	M/s. Kusum Engg. Co. Ltd., 24-Parganas	11.34
311.	M/s. Kalpana Engg. (P) Ltd., Howrah	2.17
312.	M/s. Karala Valley Tea Estate, Jalpaiguri	2.65
313.	M/s. Lily Biscuit Co., Calcutta	5.91
314.	M/s. Looksan Tea Estate, Jalpaiguri	8.18
315.	M/s. Laxmi Narayan Cotton Mills, Hooghly	13.95
316.	-do- (Head Office)	1.21
317.	M/s. Montiviot Tea Estate, Darjeeling	2.24
318.	M/s. Motor & Machinery Mfg. Co., Calcutta	6.36
319.	M/s. Mahindra Mills Ltd., Murshidabad	2.19
320.	M/s. Marshall & Sons, Calcutta	6.70
321.	M/s. Meechpara T. Estate	1.38
322.	M/s. New India Glass Works, Calcutta	1.80
323.	M/s. National Iron & Steel Co. Ltd., Howrah	20.69
324.	M/s. Nurbong Tea Estate, Darjeeling	2.00
325.	M/s. National Screw & Wire Products, Howrah	2.56
326.	M/s. Naxalbari Tea Estate	1.09
327.	M/s. National Tannery Co.	2.05
328.	M/s. Oriental Research, & Chemical, Howrah	2.35
329.	M/s. Okaity Tea Estate, Darjeeling	3.99
330.	M/s. Pashok Tea Estate, Pashok	7.62
331.	M/s. Pandam Tea Estate, Darjeeling	2.59
332.	M/s. Peoples' Engg. & Motor Works, Howrah	1.90
333.	M/s. Peoples' Engg & Motor Works (Fy. No. II), Howrah	2.95
334.	M/s. Poddar Sanitary Works, Calcutta	3.56
335.	M/s. Potong Tea Estate, Darjeeling	2.45
336.	M/s. Paharimata Iron Works (P) Ltd., Howrah	2.85
337.	M/s. Priti Paper & Board Mills, Calcutta	1.64
338.	M/s. Precision Tools & Instruments, Calcutta	1.43
339.	M/s. P. Sett & Co., Calcutta	1.23
340.	M/s. Port Engg. Works	8.93
341.	M/s. Poobong Tea Estate	1.43
342.	M/s. Raymon Engg. Works, Howrah	3.75

(1)	(2)	(3)
343.	M/s. Rampooria Cotton Mills, Hooghly	24.47
344.	M/s. Rungneet Tea Estate, Darjeeling	2.03
345.	M/s. R.B.S. Rubber, Howrah	1.22
346.	M/s. Ramsahi Tea Estate	1.73
347.	M/s. Rajabhat Tea Estate	1.19
348.	M/s. Rangaroom Tea Estate	1.23
349.	M/s. Rungmook Tea Estate	2.15
350.	M/s. Sodepur Cotton Mills, 24-Parganas	2.95
351.	M/s. Sree Mahaluxmi Cotton Millo, 24-Parganas	13.14
352.	M/s. Single Tea Estate, Darjeeling	1.99
353.	M/s. Shalimar Works Ltd., Howrah	10.40
354.	M/s. Spencer Aerated Water, Calcutta	2.72
355.	M/s. Sarugaon Tea Estate Jalpaiguri	10.50
356.	M/s. Surendra Engg. Works, 24-Parganas	1.43
357.	M/s. Sodepur Pottery, 24-Parganas	4.27
358.	M/s. Sonali Tea Estate, Jalpaiguri	2.44
359.	M/s. Sree Engg. Products, Hooghly	3.08
360.	M/s. Sur & Co., Calcutta	5.06
361.	M/s. Swastik Board & Paper Mills	1.42
362.	M/s. Shaw and Co., Howrah	1.40
363.	M/s. Sree Laxmi Iron & Steel Works	2.16
364.	M/s. Sankar Industries, Howrah	1.35
365.	M/s. Satali Tea Estate	1.25
366.	M/s. Sulekha Works (P) Ltd	1.54
367.	M/s. Sree Iron Fdy. & Engg. Works	1.07
368.	M/s. Thakurdas Sureka Iron Foundry, Howrah	4.48
369.	M/s. Thakurdas Sureka Iron Foundry (No. II), Howrah	1.29
370.	M/s. Texwell (P) Ltd., Calcutta	1.63
371.	M/s. Tropical Rubber, Calcutta	1.25
372.	M/s. Taps & Dies Ltd.	1.05
373.	M/s. United Provinces Comml. Corpn., Calcutta	1.98
374.	M/s. Universal Lamp Works	2.03
375.	M/s. Vah-Tukvar Tea Estate, Darjeeling	3.34
376.	M/s. Wire Machinery Mfg. Co. Ltd., 24-Parganas	5.19

Total : 572.83

Grand Total=2805.60

APPENDIX G

Statement showing the details of the exempted establishments which were in default of Rs. One lakh or more as on the 31st March 1981 in transferring the Provident Fund contributions to their respective Board of Trustee

S. No.	Name of the establishment	Amount not transferred
(1)	(2)	(3)
(Rupees in Lakhs)		
(1) ANDHRA PRADESH		
1.	M/s. Associated Glass Industries Ltd., Hyderabad	8.12
		<u>8.12</u>
(2) NORTH EASTERN REGION		
2.	M/s. Assam Tribunes	1.11
		<u>1.11</u>
(3) BIHAR		
3.	M/s. News Paper & Publications Ltd., Patna	1.06
4.	M/s. Motipur Sugar Factory (2 units)	13.78
5.	M/s. Bihar State Sugar Corp. Ltd. (3 units)	3.58
6.	M/s. Bihar Fire Bricks & Potteries Works, Dhanbad	3.46
7.	M/s. Bihar State Co-op. Bank Ltd., Patna	33.92
		<u>55.80</u>
(4) GUJARAT		
8.	M/s. Shubhlaxmi Mills Ltd., Cambay	2.94
		<u>2.94</u>
(5) KARNATAKA		
9.	M/s. Salar Jung Sugar Mills Ltd., Raichur, Munirabad	1.00
		<u>1.00</u>
(6) KERALA		
10.	M/s. Kerala State Road Transport Corpn., Trivandrum	27.80
11.	M/s. Travancore Rayons Ltd., Rayonpuram	3.75
		<u>31.55</u>
(7) MADHYA PRADESH		
12.	M/s. Hope Textiles Ltd., Indore	12.55
13.	M/s. Jaora Sugar Mills, Jaora	4.87
14.	M/s. Burhanpur Tapti Mills, Burhanpur	5.19
		<u>113</u>

(1)	(2)	(3)
15.	M/s. Binod Mills Co. Ltd., Ujjain	118.16
16.	M/s. Bimal Mills Ltd. Ujjain	27.65
		<u>168.42</u>
(8) MAHARASHTRA		
17.	M/s. Western India Spg. & Mfg. Co. Ltd., Bombay	20.73
18.	M/s. Alcock Ashdown & Co. Ltd., Bombay	4.37
19.	M/s. Model Mills Ltd., Nagpur	11.55
20.	M/s. Kamani Tubes Ltd., Bombay	14.58
21.	M/s. Saswad Mali Sugar Factory, Sholapur	3.59
22.	M/s. Gold Mohur Mills Ltd., Bombay	6.70
23.	M/s. Finlay Mills Ltd., Bombay	14.01
24.	M/s. Estrella Batteries Ltd., Bombay	7.99
		<u>83.52</u>
(9) PUNJAB		
25.	M/s. Pepsu Road Transport Corpn. Patiala	42.07
		<u>42.07</u>
(10) RAJASTHAN		
26.	M/s. Rajasthan State Electricity Board, Jaipur	28.27
		<u>28.27</u>
(11) UTTAR PRADESH		
27.	M/s. Nawabganj Sugar Mills Co. Ltd., Gonda	6.97
28.	M/s. Punjab Sugar Mills, Gorakhpur	13.56
29.	M/s. Laxmi Sugar & Oil Mills, Hardoi	5.90
30.	M/s. U. P. Instrument Ltd., Aish Bagh, Lucknow	3.94
		<u>30.37</u>
(12) WEST BENGAL		
31.	M/s. Alexandra Jute Mills Ltd.	41.76
32.	M/s. Kelvin Jute Co. Ltd.	102.85
33.	M/s. Kinnison Jute Mills Ltd.	79.16
34.	M/s. Khardah Co. Ltd.	14.95
35.	M/s. Megna Mills Ltd.	105.58
36.	M/s. National Co. Ltd.	64.54
37.	M/s. Shree Ambica Jute Co. Ltd.	57.36
38.	M/s. Union Jute Co. Ltd.	10.40

(1)	(2)	(3)
39. M/s. Dalhousie Jute Co. Ltd.		31.09
40. M/s. Eastern Mfg. Co. Ltd.		48.91
41. M/s. North Brook Jute Mills Ltd.		67.46
42. M/s. Empire Jute Co. Ltd.		70.86
43. M/s. Naskarpara Jute Co. Ltd.		31.00
44. M/s. Shree Gouri Shankar Jute Mills Ltd.		40.40
45. M/s. Bird Jute & Export Ltd.		3.27
46. M/s. Gouripur Co. Ltd.		38.00
47. M/s. East Bengal Engg. Co. Ltd.		5.69
48. M/s. Westing House Saxby Farmer Ltd.		18.79
49. M/s. India Hard Metals Ltd.		14.54
50. M/s. Burn & Co. Ltd., (including Howrah Iron Works)		62.84
51. M/s. Indian Standard Wagon Co. Ltd.		21.75
52. M/s. Kalyani Spinning Mills Ltd.		14.79
53. M/s. National Rubber Manufacturers Ltd.		3.16
54. M/s. Bengal Potteries Ltd.		40.98
55. M/s. Oriental Metal Industries Ltd.		7.60
56. M/s. Shree Durga Cotton Spg. & Wvg. Mills Ltd.		4.17
57. M/s. Mohini Mills Ltd.		61.96
58. M/s. India Paper Pulp Co. Ltd.		42.34
59. M/s. Heilgers Ltd.		1.70
60. M/s. Amrita Bazar Patrika Ltd.		2.47
61. M/s. Jugantar Pvt. Ltd.		1.52
62. M/s. Robert Hudson (I) Ltd.		1.76
63. M/s. Indian Health Institute & Laboratories Ltd.		3.00
64. M/s. Steel & Allied Products Ltd.		2.25
65. M/s. Saraswati Press Ltd.		1.49
66. M/s. Beni Ltd.		19.14
67. M/s. Bird & Co. Ltd., (Process Engg. Divn.)		11.11
68. M/s. Hooghly Docking Engg. Co. Ltd.		9.88
69. M/s. W.S. Creswell Co. Ltd.		4.08
70. M/s. Martin Burn & Co. Ltd.		1.02
71. M/s. Ramnugger Cane & Sugar Co. Ltd.		5.00
72. M/s. Aluminium Mfg. Co. Ltd.		9.38
73. M/s. Braithwaite Co. Ltd.		47.93
74. M/s. B.B.J. Construction Co. Ltd.		3.41
		<hr/> 1231.34
	Grand Total Rs. lakhs	<hr/> 1684.51 <hr/>

Income and Expenditure Account of the

<i>S. No.</i>	<i>Income</i>	<i>1978-79</i>	<i>1979-80</i>
1.	Receipt by way of Administrative Charges, Inspection Charges and Penal Damages.	9,39,23,339.16	10,49,94,539.41
2.	Misc. Receipts.	51,74,985.47	40,63,014.14
3.	Interest earned on Investment of surplus amount in Administration Fund.	52,40,998.19	64,27,347.44
4.	Receipt on account of Administration of :		
	(a) Family Pension Scheme.	71,66,000.00	75,00,000.00
	(b) Additonal Emoluments Compulsory Deposits Scheme.	14,56,162.45	6,48,431.20
	(c) Employees' Deposit-Linked Insurance Scheme.	16,43,980.35	18,13,184.41
	(d) Group Insurance Scheme.	—	4,02,357.35
	Total :	<u>11,46,05,465.62</u>	<u>12,58,48,873.95</u>

Employees' Provident Fund Organisation

<i>S. No.</i>	<i>Expenditure</i>	<i>1978-79</i>	<i>1979-80</i>
1.	Expenditure on Administration.		
	(a) Pay and allowance of officers and staff.	5,47,76,574.27	6,43,52,296.88
	(b) Travelling Allowance.	20,84,106.79	19,54,194.83
	(c) Grant to staff Recreation Club- Benvolent Fund.	1,30,969.90	1,43,689.75
	(d) Group Insurance Scheme.	—	1,23,504.03
	(e) Other charges recurring/nonrecurring.	2,04,60,944.03	2,27,85,596.93
2.	Excess of Income over Expenditure.	3,71,52,870.63	3,64,89,591.53
Total :		<u>11,46,05,465.62</u>	<u>12,58,48,873.95</u>

Balance Sheet of the Employees' Provident Fund Organisation in

<i>S. No.</i>	<i>Liabilities</i>	<i>Balance as on 31.3.79</i>	<i>Balance as on 31.3.80</i>
1.	(a) Employees' Provident Fund	17,76,48,37,300.38	20,26,24,37,529.40
	(b) Staff Provident Fund	2,15,85,318.89	2,42,67,767.12
2.	Forfeiture Account	21,64,54,461.78	25,06,41,250.64
3.	Special Reserve Fund	1,10,00,000.00	1,10,00,000.00
4.	Unclaimed Deposit A/C.	5,53,78,679.97	5,83,62,718.77
5.	Security Deposits	3,27,727.22	3,21,048.01
6.	Suspense Account :		
	(a) Interest Suspense Account, Employees' Provident Fund	3,30,87,04,210.64	4,32,58,44,201.59
	(b) Interest Suspense Account Pension-cum-Gratuity Account	36,86,154.99	51,46,616.80
	(c) Suspense Account Unclassified	66,51,672.42	89,79,798.44
7.	Death Relief Fund	1,70,993.98	5,79,546.13
8.	(a) Administration Account, Revenue Surplus	26,14,13,629.68	29,71,52,221.21
	(b) Unclassified receipts in Administration Account	1,79,602.98	1,79,619.99
9.	Unclassified receipts in Employees Provident Fund Account	12,98,307.83	13,20,071.18
10.	Pension-cum-Gratuity A/c	1,26,36,548.41	1,52,43,743.47
	Total	<u>21,66,43,24,609.17</u>	<u>25,26,14,76,132.75</u>

APPENDIX I

Respect of Employees' Provident Fund Scheme 1952 as on 31-3-80

S. No.	Assets	Balance as on 31.3.79	Balance as on 31.3.80
1.	Investment Account :		
(a)	E.P.F.		
(i)	Securities purchased centrally	20,77,14,29,055.85	24,31,14,89,255.42
(ii)	Securities transferred by regions	48,65,59,963.71	51,51,10,187.89
(b)	Staff Provident Fund :		
	Securities centrally purchased	2,39,80,832.17	2,59,00,374.43
(c)	Pension-cum-Gratuity :		
	Securities centrally purchased	1,63,43,613.83	1,84,08,859.26
(d)	Administration Fund :		
	Securities purchased centrally	15,24,77,650.87	18,15,25,250.87
2.	Special Reserve Fund recoverable	88,51,383.53	90,84,319.77
3.	Land and Building	6,85,49,409.59	7,03,71,529.87
4.	Cash Balances (S.B.I.)		
	as on 31.3.80 :		
(a)	E.P.F. Account No. 1	77,20,753.72	2,70,94,356.77
(b)	E.P.F. Account No. 2	51,92,083.36	84,28,324.83
(c)	E.P.F. Account No. 3	(-) 3,21,23,122.65	(-) 4,76,65,528.96
(d)	E.P.F. Account No. 4	15,95,982.66	45,14,952.42
(e)	E.P.F. Account No. 5	8,79,08,371.36	7,36,05,106.71
(f)	E.P.F. Account No. 8	(-) 14,42,289.76	(-) 3,90,583.77
(g)	E.P.F. Account No. 9	93.17	22,00,098.17
(h)	Permanent Advances	3,640.00	3,860.00
(i)	Cash Balance (R.B.I.) as on 31.3.80 :		
(i)	E.P. Fund	3,73,43,336.37	2,88,89,673.66
(ii)	Staff Provident Fund	19,395.10	31,346.52
(iii)	Pension-cum-Gratuity	50,601.61	21,217.99
(j)	Security Deposits	—	20,420.00
5.	Recoverable Advances :		
(a)	Conveyance Advance	14,19,487.41	14,73,622.47
(b)	Festival Advance	6,78,850.90	7,27,265.90
(c)	Fan Advance	3,145.15	3,455.15
(d)	Irregular Payment	5,19,766.15	5,19,766.15
(e)	Advance of Pay/T.A./D.A.	1,56,735.77	1,82,502.10
(f)	Food grain advance	15,899.60	1,02,520.39
(g)	Warm clothing advance	889.25	1,423.25
(h)	Natural Calamity advance	20,32,340.45	13,82,125.25
(i)	House Building advance	1,82,26,142.94	1,87,33,123.73
(j)	Miscellaneous Payment	31,69,753.79	46,08,776.21
6.	Suspense Account :		
(a)	Interest Suspense Account		
	Staff Provident Fund	72,198.14	(-) 4,81,225.98
(b)	Suspense Account	35,68,640.13	55,79,756.28
	Total	21,66,43,24,609.17	25,26,14,76,132.75

Audit Report of the accounts of the Employees Provident Fund Organisation for 1979-80**1. General**

1.1 The Employees' Provident Fund Organisation set up under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, covers the whole of the country except the State of Jammu and Kashmir. It has 15 Regional Offices with the Central Office at New Delhi.

1.2 Apart from the Employees' Provident Fund Scheme (EPF) the Organisation has been entrusted with the administration of the Additional Emoluments (Compulsory Deposits) Scheme, 1974, the Family Pension and the Deposit linked Insurance Schemes. For administering these additional Schemes, the Organisation is provided with funds by the Government and is required to maintain separate sets of accounts for each of the Schemes. The accounts for these Schemes had not, however been compiled.

2. Cash and proforma account of Employees' Provident Fund Scheme.

2.1 Under the accounting system adopted for recording cash transactions relating to the Employees' Provident Fund accounts, the Organisation maintains 7 cash and 3 *proforma* accounts, as detailed below :—

Cash account No. 1.

(Contribution Account)

The contributions of employers and employees are credited directly into the bank by the employers under intimation to the Regional Offices which maintain cash books in which entries are made on the basis of challans/advices received from the bank. The debits in this account are on account of transfer to Account No. 5 for investment and other miscellaneous purposes.

Cash account No. 2

(Regional Administration Account)

The collections on account of administration and inspection charges are credited to this account in the same manner as for account No. 1 and the expenditure on administration of the Employees' Provident Fund is met out of this account. The surplus in this account is transferred to Account No. 4 (Central Administration Account).

Cash Account No. 3 (Regional)

(Refund Account)

This account records all payments of Employees' Provident Fund claims including withdrawals and is fed by transfer from Account No. 5.

Cash Account No. 4

(Central Administration Account)

This account records administration expenses of the Central Office and is fed by transfers from Account No. 2.

Cash Account No. 5

(Investment Account)

Amounts to be invested out of accumulations in Account No. 1 are transferred to this account for making investments.

Proforma Account No. 6
(Interest Suspense Account)

Interest realised on investment and interest paid to the Employees' Provident Fund subscribers are booked in this account.

Proforma Account No. 7
(Forfeiture Account)

Employers' share forfeited in settlement of claims under Employees' Provident Fund are transferred to this account.

Cash Account Nos. 8 and 2
(Staff Provident Fund, Pension-cum-Gratuity Accounts)

The contributions made towards provident fund and pension-cum-gratuity schemes of the staff of the Organisation are credited to these accounts. The payments on account of these schemes which are initially made from the administration account are finally debited to these accounts.

Proforma Account No. 10
(Unclaimed Deposits Account)

Unclaimed Provident Fund accumulations upto a specified period are transferred to this account.

2.2 The Cash balance of the Organisation is derived from the balances of different accounts of the Central and the Regional Offices. The balances in respect of these accounts as per respective Cash books did not, however, agree with the corresponding balances in the Balance Sheet in 5 out of the 9 Cash Accounts, as detailed below:

S. No.	Particulars of Accounts.	Balance as per Cash Book	Balance as per Balance Sheet
1.	Employees' Provident Fund Account No. 1.	2,09,19,621.39	2,70,94,356.77
2.	Employees' Provident Fund Refund Account No. 3.	(-) 4,69,25,600.51	(-) 4,76,65,528.96
3.	Central Administration Account No. 4.	41,23,382.86	45,14,952.42
4.	Employees' Provident Fund Investment Account No. 5.	2,75,11,844.86	7,36,05,106.71
5.	Staff Provident Fund	1,83,620.19	(-) 3,90,583.77

The Organisation explained (July 1981) that the differences were attributable to transfers from one account to another, remittances between the Central and the Regional Offices still to be accounted for in one or more offices, certain corrections made, and acts of omissions and commissions in the accounts of earlier years. It further stated that a system of rendering monthly accounts by the Regional Offices to the Central Office had been introduced with effect from 1st April 1980 and that this would enable the Organisation to account for the transfers from one head of account to another within the currency of the year itself.

3. Investments

3.1. The Accounts of the Organisation related to the following Funds :—

- (i) Employees' Provident Fund;
- (ii) Administration Fund;
- (iii) Staff Provident Fund;
- (iv) Pension-cum-Gratuity Fund.

The money accumulated under each of the Funds should be available with the Organisation in the form of investments or cash or other assets created and each Fund should break-even with the assets shown on the assets side of the balance sheet. None of the Funds, would, however, break-even with the assets and this was brought to notice in earlier audit as well. The extent of variation was as under :—

(Amt. in Rupees)				
S. No.	Fund/Account	Liabilities	Assets	Excess of Assets (+) Shortage of Assets (—)
1.	Employees' Provident Fund	2491,01,85,317.71	2491,81,27,137.41	(+) 79,41,819.70
2.	Staff Provident Fund	2,42,67,767.12	2,50,59,911.20	(+) 7,92,144.08
3.	Pension-cum-Gratuity Fund	2,03,90,360.27	2,06,30,175.42	(+) 2,39,815.15
4.	Administration Fund	29,76,52,889.21	29,20,79,152.44	(—) 55,73,736.77
5.	Suspense Account (Unclassified)	89,79,798.44	36,25,176.48	(—) 53,54,621.96
6.	Difference in Accounts	—	19,54,579.80	19,54,579.80
Total		2526,14,76,132.75	2526,14,76,132.75	

The Organisation stated (July, 1981) that an analysis of the balance shown on the Liabilities and Assets sides of the balance sheet would be undertaken for carrying out the necessary adjustments in future accounts after the clearance of arrears.

3.2 The securities and fixed deposit receipts (F.D.Rs.) were kept in safe custody with the Reserve Bank of India, Bombay and the State Bank of India for timely servicing according to the pattern of investment prescribed by the Government of India and the instructions given from time to time by the Organisation. The total value of the securities and fixed deposit receipts under various investment in the accounts of the Organisation was Rs. 2505.24 crores (Purchase price) as on 31st March, 1980. The face value of the such holdings under the custody of Reserve Bank of India and State Bank of India was reported to be Rs. 2465.10 crores as on 31st March, 1980.

It was noticed in audit that the investments made during the year as on 31st March, 1980 had been incorporated in the balance sheet in the accounts on the basis of cost price plus commission charged by the bank, whereas the amounts in respect of securities redeemed during the year had been exhibited (in balance sheet) on the basis of face value of the securities. As a result of loss or gain in disposal of securities had not been suitably adjusted in accounts.

3.3 During 1979-80 three fixed deposits with the State Bank matured and the amount realised was re-invested in fixed deposits with the same bank, as detailed below :—

(Amt. in Rupees)		
<i>Date</i>	<i>Amt. invested in Fixed Deposit</i>	<i>F.D.R. Number</i>
8.6.1979	20,00,000	K-377244
5.6.1979	17,00,000	K-775937
22.10.1979	10,00,000	K-775467
	<u>47,00,000</u>	

The maturity of Fixed Deposits and their reinvestments were, however, not accounted for in accounts for 1979-80. The Organisation stated (July, 1981) that necessary corrections would be made in the accounts for 1980-81.

3.4 Certificates of holdings of F.D.Rs. had not been received from the respective banks in the following cases :—

<i>F.D.R. Number and amount (Rupees)</i>	<i>Bank</i>
351861 for 5,00,000	<div style="display: flex; align-items: center;"> <div style="margin-right: 10px;"> <p>The Union Bank of India (Khari Baoli, Delhi).</p> <p>} State Bank of India (Parliament Street, New Delhi)</p> </div> </div>
10/87 for 1,00,000	
10/150 for 2,00,000	
10/289 for 1,00,000	

The Organisation stated (July, 1981) that the matter had already been taken up with the banks concerned.

3.5 As per investment register, an amount of Rs. 80,50,000 stood invested in fixed deposits with the Union Bank of India as on 31st March, 1980. The bank had, however, given a certificate of holding of F.D.Rs. (as on 31st March, 1980) for Rs. 79,50,000 only omitting FDR No. 682762 for Rs. 1,00,000 in respect of a deposit made on 27th October, 1979. Further the amount invested in fixed deposit with the State Bank (Parliament Street) as on 31st March, 1980 stood at Rs. 3,32,68,400 as per records of the Organisation but the amount of F.D.Rs. held by the State Bank as on 31st March, 1980 as per their certificate of holdings was for Rs. 5,72,11,992. There was thus a wide difference in the amount invested in fixed deposits as per the Organisation's records *vis-a-vis* F.D.Rs. held by the State Bank.

The Organisation stated (July, 1981) that the matter had already been taken up with the banks for submission of revised certificates of holdings of F.D.Rs.

3.6 The Cash Book of E.P.F. Investment Account No. 5 and scheduled attached to the annual accounts for 1979-80 showed that in certain cases, the State Bank of India, Bombay had been raising extra debits to E.P.F. Account No. 5 while transferring the amounts to E.P.F. (Refund) Account No. 3 for making payment on account of advances and final withdrawals. This was stated to be due to receipt of incomplete information from the link branches of the State Bank. In a few cases, double debits were detected by the bank itself and reversed. In other cases, the double debits were detected by the Office of the Central Provident Fund Commissioner. Extra debits in most of the cases had been

withdrawn after a long period but in the following cases these had not so far been reversed by the bank :—

S. No.	Region	Date of extra debit	Amount (Rupees)
1.	Indore	6-12-1979	18,00,000
2.	Punjab	30-7-1979	3,00,000
3.	Rajasthan	12-11-1979	6,00,000
4.	Rajasthan	20-3-1980	6,00,000

The matter of reversal of these extra debits was stated to be under correspondence with the State Bank of India, Bombay (July, 1981).

Consequent upon passing of extra debits to E.P.F. A/c No. 5 the availability of funds (in E.P.F. A/c No. 5) for investment was, accordingly, reduced and as such, the amounts available in A/c No. 5 on various dates could not be invested to the full extent. This had resulted in loss of interest amounting to nearly Rs. 54.94 lakhs worked out on the basis of average rate of interest earned on investments.

The Organisation stated that they had asked the bank to pay interest in respect of 25 items out of a total of 52 items. The Organisation had not yet taken up the remaining cases with the bank (August 1981).

3.7 Further, credit to E.P.F. A/c No. 5 was afforded by the bank quite late. While transferring the amounts from E.P.F. A/c No. 1 there was default on the part of one branch or another of the State Bank. As a result, the amount remained un-invested and the Organisation suffered a loss of interest amounting to nearly Rs. 3.35 lakhs worked out at average rate of interest earned on investments during the respective year.

In another case, an amount of Rs. 50,000 was transferred from E.P.F. A/c No. 5 to E.P.F. A/c No. 3 but credit thereof was afforded in the latter account after more than three years. For that period the amount remained in transit and out of E.P.F. investment account resulting in loss of interest amounting to Rs. 11,376.00.

3.8 Further, certain debits meant for Employees' Deposit-linked Insurance Account No. 25 were raised against E.P.F. A/c No. 5 and certain amounts meant for credit to E.P.F. A/c No. 5 were actually credited to Employees' Deposit-linked Insurance Account No. 25. Consequently, the availability of funds in E.P.F. Account No. 5 was reduced to the extent of these amounts, resulting in loss of interest amounting to Rs. 16,27,348.00. The amounts in question had since been reversed but the amount of interest (at the average rate of interest on investments) that would have accrued in E.P.F. A/c No. 5 had not so far been recovered from Employees' Deposit-linked Insurance Account No. 25.

4. MAJOR DEFECTS IN ACCOUNTS

4.1 The accounts had been closed with a difference of Rs. 19,54,579.80 *vide* item 7 on the assets side of the balance sheet as on 31st March, 1980 against the previous year's difference of Rs. 43,308.98 on the liabilities side. The details of the difference were not available. To this extent the accounts remained unbalanced. The difference in accounts was stated [*vide* footnote (i) to the balance sheet] to be due to book keeping errors.

4.2 The Organisation stated (July, 1981) that it might be attributed to transfers of funds from one account to another and or remittances between Central or Regional Offices not accounted for in one or more offices.

4.2 A summary Cash Book for Account No. 7 relating to the Forfeiture Account was maintained at the Central Office on the basis of monthly returns furnished by the Regional Offices. However, there were differences in the figures of various transactions as accounted for in the Cash Book *vis-a-vis* the balance sheet as at 31st March, 1980, as detailed below :—

(Amt. in Rupees)			
<i>Particulars</i>	<i>Amounts as per Cash Book</i>	<i>Amount as per Balance Sheet</i>	<i>Difference</i>
Opening Balance as on 1-4-1979	21,64,07,922.15	21,64,54,461.78	46,539.63
Add			
Forfeiture during 1979-80	3,43,52,031.55	3,51,86,788.86	8,34,757.31
	25,07,59,953.70	25,16,41,250.64	8,81,296.94
Less			
Payments during 1979-80	1,401.50	—	(—) 1,401.50
Amt. transferred to Death Relief Fund	10,00,000.00	10,00,000.00	—
Closing balance as on 31.3.80	24,97,58,552.20	25,06,41,250.64	8,82,698.44

The Organisation stated (July, 1981) that the Cash Book for Forfeiture Account maintained in the Central Office was posted from the returns submitted by the Regional Offices and that for the purpose of consolidation of the accounts, the figures as shown in the regional balance sheets were taken into account as they were audited and certified by the concerned state Accountant General. It further stated that for the differences, the Regional Offices were being requested to send revised returns for carrying out necessary corrections in the Cash Book.

4.3 The amounts of interest charged on various accounts to 'Interest Suspense Accounts—Employees' Provident Fund' as per balance sheet and the corresponding amounts shown in the Cash Book for Account No. 6 Interest Suspense Account—Regional for 1979-80 were as under :—

(Amount in Rupees)			
<i>Particulars of charges</i>	<i>Balance Sheet</i>	<i>Cash Book</i>	<i>Difference</i>
1. Interest credited to members' account during the year	65,56,85,922.75	68,00,86,277.45	244,00,354.70
2. Interest paid on deposits refunded to exempted estts.	1,41,649.25	2,69,04,075.39	267,62,426.14
3. Any other reason	—	2,62,073.56	2,62,073.56
TOTAL	65,58,27,572.00	70,72,52,426.40	514,24,854.40

There was a net difference of Rs. 5,14,24,854.40 between the amounts taken to the balance sheet (based on regional accounts) and the Cash Book posted from the returns submitted by the regions during the year.

The Organisation gave (July, 1981) the same reply as in respect of paragraph 4.2 above.

4.4 Recoveries on account of General Insurance Scheme, Life Insurance Corporation premia, General Provident Fund, Income-Tax, etc., pertaining to the Andhra Pradesh were booked under 'Suspense Unclassified' on the liabilities side of its balance sheet. Again contributions totalling Rs. 4,06,838.94 pertaining to Account No. 1 were accounted for in Account No. 2 and contribution aggregating Rs. 22,934.55 pertaining to A/c No. 10 were accounted for in Account No. 1. But these were kept in the accounts under 'Suspense Unclassified' (part of Rs. 4,91,382.08) when the amounts could have been classified under proper head of account. Thus, not only had the amounts under 'Suspense Unclassified' increased but the delay in their classification also led to loss of interest as the amount of Rs. 4,06,838.94 could not be transferred to Account No. 5 for investment.

The Organisation stated (July, 1981) that the Regional Commissioner would be advised to look into this transaction and to take necessary action in the matter.

4.5 In the following cases there were variation between the figures shown in the Regional Accounts and those shown in the consolidated accounts :—

(Amount in Rupees)				
S. No.	Head	Figures as per Regional A/c	Figures as per Consolidated A/c	Difference
1.	Forfeiture A/c (opening balance Liabilities side)	23,81,54,461.78	21,64,54,461.78 (—)	1,17,00,000.00
2.	Pension-cum-Gratuity A/c. (Liability side), Amt. credited during the year Suspense A/c.	28,89,686.89	27,75,400.00 (—)	1,14,266.89
3.	Interest Suspense A/c Staff P.F. (opening balance) Assets side	74,71,987.81	72,198.14 (—)	73,99,789.67

The Organisation explained (September, 1981) that the difference of Rs. 1,17,00,000 was due to transfer from Forfeiture Account to Special Reserve Fund and Death Relief Fund by the Central Office of which the Regional Offices were not aware. The difference of Rs. 1,14,266.89 in the Pension-cum-Gratuity Account was due to rectification in the Central Office of some of the misclassification made by the Regional Offices. And the difference of Rs. 73,99,789.67 in the Interest Suspense Account was due to the Additional adjustments made in the accounts by the Central Office on Account of interest realised on investments and interest paid to vendors which were not taken into account by the Regional Offices.

4.6 An addition of Rs. 1,91,106.50 was made by the Central Office under 'Revenue Surplus' though not shown by the Region (Central Office). Further, revenue surplus was reduced by Rs. 7,51,000 to conform to the Regional balances of Bihar and Tamil Nadu Offices. The corresponding entry was, however, not taken in either case on the assets side of the balance sheet under 1(4) administrative account.

The Organisation stated (July, 1981) that the variation were due to certain adjustments/transfers made at the Central Office and that the position would be examined and any necessary adjustments would be incorporated in the next year's accounts.

4.7 A total sum of Rs. 10,49,94,539.41 was received towards administration/inspection charges and penal charges as per the consolidated income and expenditure account of the Organisation for the year 1979-80. The actual collection made on this account as per the Regional accounts, however, worked out to Rs. 10,62,13,905.55. This had resulted in short in depreciation of income of

Rs. 12,19,366. The variation between the income shown in the regional income and expenditure account and in the consolidated income and expenditure account was explained in Schedule 'A' appended to the account. This was stated to be attributable to transfer of funds from A/c No. 2 to A/c No. 4 and *vice-versa* which were not accounted for in the regional or the Central books of accounts.

4.8 It was observed from the schedules appended to the accounts for 1979-80 that a large number of amounts were lying un-adjusted for several years. The particulars of the amounts lying uncleared for the last three years and more were as under :—

				(Amt. in Rupees)	
Particulars of the Schedules year	Region	Amount	Remarks		
1972-73	West Bengal	11,25,000.00			
B 1973-74	West Bengal	42,00,000.00			
1974-75	West Bengal	27,72,800.00			
D 1973-74	West Bengal	700.00			
1976-77	Andhra Pradesh	6,000.00	Credited on	10.6.1976	
1976-77	Gujarat	1,00,000.00	Credited on	25.1.1977	
K 1970-71	Andhra Pradesh	2,787.75			
1973-74	Andhra Pradesh	13,413.36	Transferred on	1.2.1974	
1973-74	Delhi	83,130.60	Transferred on	23.11.1973	
1973-74	Rajasthan	2,700.00	Less credit on	20.11.1973	
1973-74	Uttar Pradesh	500.00	Transferred on	7.7.1973	
1973-74	Gujarat	5.00			
1975-76	West Bengal	8.00			
1976-77	Delhi	35,482.94	Transferred on	8.6.1976	
1976-77	Delhi	3,30,019.65	Transferred on	26.5.1976	
1976-77	Delhi	5,68,980.35	Transferred on	26.5.1976	
1976-77	Madhya Pradesh	8,00,000.00	Credited on	26.3.1977	
1976-77	Siliguri	17,100.00			
1976-77	Punjab	9.25	Transferred on	14.4.1976	
1976-77	Punjab	5.00	Transferred on	22.4.1976	
1976-77	Punjab	0.03	Transferred on	11.3.1977	
K 1972-73	Kanpur	17,207.00	Amt. of A/c No. 8		
			Credited on	23.6.1972	
1976-77	Madhya Pradesh	5,09,000.00	Extra credit on	16.9.1976	
1976-77	Madhya Pradesh	1,60,000.00	Extra credit on	9.9.1976	

The Organisation stated (July, 1981) that the matter had been taken up with the concerned authorities and efforts were being made to adjust the amounts.

5. OTHER IRREGULARITIES IN ACCOUNTS

5.1 Pension-cum-Gratuity Fund has been created to meet future liabilities for disbursement of pensions and gratuity to retired pensioners and of the employees of the Organisation or their beneficiaries. Expenditure on account of payment of pensions and gratuity should be met out of this

fund. However no uniform procedure for compilation of Regional accounts was being followed in the matter despite instructions issued by the Central Office in September, 1973. Pensions and gratuity had been paid by certain regional offices and by the Central office out of E.P.F. A/c No. 2 & 4 respectively and the amounts had been charged to the income and expenditure account for 1979-80 as per detailed below :—

(Amt. in Rupees)		
<i>S. No.</i>	<i>Region</i>	<i>Amount</i>
1.	Assam	22,341.00
2.	Bihar	8,650.39
3.	Gujarat	16,062.92
4.	Kerala	6,804.30
5.	Madhya Pradesh	4,239.80
6.	Rajasthan	1,438.80
7.	Tamil Nadu	24,419.81
8.	Central Office	58,708.34
Total		1,42,665.36

This resulted in short depiction of income by Rs. 1,42,665.36 under the head 'Excess of Income over Expenditure' in the Income and Expenditure Account and the E.P.F. Accounts No. 2 and 4 were still to be replenished to this extent.

The Organisation could not furnish information (July, 1981) regarding total payments of pensions and gratuity by the Regional as well as by the Central Office charged to the E.P.F. A/c Nos. 2 & 4 upto 1979-80. The Organisation, however, stated (July 81) that the Regional Provident Fund Commissioners had been requested to send monthly statements showing the amounts on account of Pension-cum-Gratuity Fund paid out of Administration Account (A/c Nos. 2 & 4) commencing from April, 1980 and also to intimate the amounts already paid upto 31st March, 1980 for re-coupment by transfer from A/c No. 9.

5.2 The Organisation was incurring expenditure on the implementation of Employees' Family Pension, Additional Emoluments (Compulsory Deposit) and Employees' Deposit-linked Insurance Scheme initially from the E.P.F. Administration Account, to be recouped subsequently from the funds made available by the Government for the respective schemes and amounts realised from the employers in respect of the Employees' Deposit-linked Insurance Scheme. No uniform system had been followed by the various regional offices for the maintenance of the accounts for these schemes.

In this connection, it was noticed that Assam, Karnataka and Maharashtra regions only have recorded these transactions as recoverable items under the head "Miscellaneous Payments" and correspondingly in the assets side of the balance sheet. Other regions have, however recorded these transactions as final expenditure under "Other Miscellaneous Payments" and charged them off to the income and expenditure account in each year. The amount due for recovery had not correspondingly been adjusted in receipt side by debit to Government of India account. As a result, the amount due for recovery on operations of these accounts after adjustments of recoveries already made from Government of India was not available in respect of 13 regions. The amount due for recovery for the three regions, Assam, Karnataka and Maharashtra worked out to Rs. 44,96,870.69 as on 31st March, 1980 and this was included in the figures of Rs. 46,08,776.21 under Miscellaneous Payments in the assets side of the balance sheet.

The Organisation stated that the regional offices had been advised to send statements of expenditure upto 1979-80 for proper adjustment in accounts.

5.3 An amount of Rs. 23,44,900 was spent by the Rajasthan region against "office building" during 1979-80. The amount was shown in the regional classified summary of receipts and payments (proforma 'B'). But in the balance sheet same opening balance had been carried forward as the closing balance under the head "Land and Building". The amount could not be traced under other heads of account in the balance sheet. The consolidated account was also prepared excluding the amount in question.

The Organisation stated (July 1981) that the Rajasthan region seemed to have misclassified the amount and that a clarification from the Regional Commissioner, Rajasthan was necessary.

5.4 An amount of Rs. 94,666,52 on account of "Contribution Received", though shown in the accounts of the Regional Commissioner, Madhya Pradesh, was omitted from the consolidated accounts compiled by the Central Office on the ground that details thereof were awaited. This was, however, contrary to the instructions issued by the headquarters according to which all amounts, including those not supported by challans/details but deposited in Account No. 1, were to be included under the sub-head "Contributions received during the year", on verification of the challans subsequently, if any amount was found to be other than contribution, then necessary adjustment could be made in the next year's accounts.

The Organisation stated (July 1981) that the amounts of contributions in question were omitted from both sides, assets as well as liabilities and as such did not affect the accounts.

The explanation furnished by the Organisation was contrary to its own instructions on the matter and was not correct.

5.5 An amount of Rs. 1,14,97,800 was shown to have been transferred from Account No. 1 to Account No. 3 *vide* Schedule 'B', appended to the accounts. As per the Employees' Provident Fund Manual of Accounting Procedure, Volume-I, transfers to Account No. 3 were to be effected from Account No. 5. Hence the above transfers were not in order. The Organisation could not justify the transaction.

6. Outstanding balances and outstanding recoveries

6.1 Special Reserve Fund

The Fund has been created to make payments to outgoing members or their nominees in cases where the employers of non-exempted establishments had failed to remit to the Employees' Provident Fund the whole or part of the contributions deducted from the wages of the members. The amount so paid is subsequently recoverable from the employers of the establishments concerned. The balance sheet as at 31st March, 1980 showed that Rs. 90,84,319.77 had been paid out of this Fund, which were still recoverable from the employers, as detailed below :—

	(Rupees)
Opening balance as on 1st April, 1979	88,51,383.53
Add amount paid to the members	2,36,767.49
	<hr/>
	Total : 90,88,151.02
	(—) 3,831.25
	<hr/>
Less amount recovered from the employers	Balance : 90,84,319.77
	<hr/>

Only a small amount of Rs. 3,831.25 was recovered during the year and the amount recoverable had gone up from Rs. 88,51,383.53 (as on 1st April, 1979) to Rs. 90,84,319.77 (as on 31st March 1980). Further, against the Fund of Rs. 110.00 lakhs, an amount of Rs. 90,84,319.77 had been advanced as on 31st March 1980, leaving a balance of Rs. 19,15,680.23. However, as per Cash Book (Special Reserve Fund) there was a closing balance of Rs. 18,74,175.72. Thus there was a difference of Rs. 41,504.51 in closing balance as per balance sheet and Cash Book, which had not so far been reconciled (July 1981).

Further, the figures of receipts and payments, as recorded in the Cash Book, varied from those depicted in the balance sheet as at 31st March 1980, as detailed below:-

	<i>As per Balance Sheet</i>	<i>As per Cash Book</i>	<i>Difference (Rupees)</i>
(i) Amount paid to the members during the year.	2,36,767.49	2,36,992.07	224.58
(ii) Amount recovered from the employers during the year.	3,831.25	4,645.50	814.25

These differences had also not been reconciled so far (July 1981).

6.2 Suspense Accounts (Unclassified)

The total receipts and payments which remained unclassified and booked under Suspense Account (Unclassified) in the balance sheet as at 31st March, 1980 were Rs. 89,79,798.44 and Rs. 36,25,176.48 respectively.

Regionwise break up of these amounts was as under :—

<i>Sl. No.</i>	<i>Region</i>	<i>Receipts (Rupees)</i>	<i>Payments (Rupees)</i>
1.	Andhra Pradesh	6,82,663.21	11,96,740.68
2.	Assam	40,210.45	39,076.66
3.	Bihar	6,783.79	845.00
4.	Delhi	4,256.00	2,778.00
5.	Gujarat	4,534.03	—
6.	Karnataka	50,000.00	292.44
7.	Kerala	10,59,460.22	—
8.	Maharashtra	58,181.83	2,02,837.97
9.	Madhya Pradesh	—	8,76,799.06
10.	Orissa	2,669.10	2,301.45
11.	Rajasthan	4,12,212.57	2,80,716.70
12.	Tamil Nadu	10,926.96	52,826.43
13.	Uttar Pradesh	50,964.41	23,350.96
14.	West Bengal	46,014.75	1,06,360.73
15.	Central Office	57,50,921.12	8,40,250.41
	Total	89,79,798.44	36,25,176.48

Year-wise break up of the balances outstanding, together with reasons for remaining outstanding, were not available with the Central Office. Despite these observations having been made in earlier years' reports, details of dates of transactions, brief particulars, amounts involved and reasons thereof had not been attached with the accounts, by the respective regional offices, as required under instructions issued by the Central Office in September, 1978.

6.3 Arrears of Provident Fund dues

The dues on account of Provident Fund contribution in respect of non-exempted establishments both of employers and employees, administration and inspection charges and penal damages in respect of exempted and non-exempted establishments increased from Rs. 3,537.88 lakhs as on 31st March 1979 to Rs. 4,043.55 lakhs as on 31st March 1980, as detailed below :—

(Rupees in lakhs)

<i>Year</i>	<i>Contributions</i>	<i>Administration Inspection charges</i>	<i>Penal Damages</i>	<i>Total</i>
1952-71	747.38	11.13	279.00	1,037.51
1971-72	110.01	2.99	85.39	198.39
1972-73	94.39	2.74	88.67	185.80
1973-74	113.38	3.04	63.67	180.09
1974-75	93.81	3.42	241.28	338.51
1975-76	93.29	4.29	151.98	249.53
1976-77	119.63	5.96	130.83	356.42
1977-78	122.65	3.80	99.70	226.15
1978-79	436.64	14.62	174.28	625.54
1979-80	529.78	26.23	189.57	745.58
Total	2,460.96	78.22	1,504.37	4,043.55

As on 31st March, 1980, the arrears recoverable from 337 establishments exceeded Rs. One lakh and from 64 establishments exceeded Rs. 10 lakhs each. The Organisation could not furnish information pertaining to the present position of defaulting establishments as on 31st March, 1980. The arrears of contribution as on 31st March, 1980 included Rs. 118.44 lakhs in respect of closed establishments, Rs. 117.69 lakhs in respect of establishments under liquidation, Rs. 626.92 lakhs in respect of sick establishments under authorised controllers and Rs. 577.50 lakhs in respect of establishments the reconstruction schemes of which were before the courts.

6.4 Penal damages to be realised from defaulting establishments

90,000 non-exempted establishments were covered under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, as on 31st March, 1980. Of these 6,162 establishments defaulted in making payment of Provident Fund dues during 1979-80. Penal damages amounting to Rs. 177.96 lakhs were levied on 11,537 establishments (including defaulters for the past years) and an amount of Rs. 59.87 lakhs had been recovered during 1979-80.

The amount recovered in each year (1971-1980) against such levies, as reported by the Organisation, was as under.

Year	Number of exempted establishments covered	Number of establishments on which damages were levied	Amount of damages levied	Amount recovered (Rupees in lakhs)
1971-72	50,559	9,673	349.34	5.61
1972-73	54,509	9,756	404.39	4.88
1973-74	57,931	9,495	416.74	7.45
1974-75	62,122	9,993	543.18	14.46
1975-76	64,616	10,343	342.69	29.81
1976-77	72,546	11,340	234.11	37.85
1977-78	78,788	11,212	217.15	29.58
1978-79	85,055	9,958	184.57	30.50
1979-80	90,009	11,537	177.96	59.87
Total :			2,870.13	220.01

It would be seen that Rs. 2,650.12 lakhs (Rs. 2,870.13—Rs. 220.01) were outstanding on account of penal damages as on 31st March, 1980 against Rs. 1,504.37 lakhs (Contribution Rs. 1,465.49 lakhs and administration and inspection charges Rs. 38.88 lakhs) shown *vide* foot-notes to the income and expenditure account and the balance sheet. This had resulted in a difference of Rs. 1,145.75 lakhs (Rs. 2,650.12—Rs. 1,504.37), which could not be explained by the Organisation.

6.5 Recovery proceedings

As against 19,183 cases of defaulting employers establishments involving Rs. 2,108.34 lakhs at the end of the previous year, recovery proceedings in 19,313 cases involving Rs. 2,355.83 lakhs were in progress as on 31st March, 1980.

As against 23,861 prosecuting cases involving Rs. 1,280.55 lakhs at the close of 1978-79, 25,852 prosecution cases against defaulting employers/establishments involving Rs. 1,412.80 lakhs were pending adjudication in Courts as on 31st March, 1980.

7. Employees' Family Pension Scheme

The Scheme was introduced from 1st March, 1971 to provide for Family Pension, Life Assurance and Retirement and Withdrawal benefits to the employees. The transactions relating to the scheme had neither been exhibited in the consolidated accounts of the Organisation nor had a separate set of accounts been prepared (July 1981) despite observations made in earlier years' reports.

There were 54.38 lakh members under the Scheme as on 31st March, 1980. During 1979-80 an amount of Rs. 47.34 crores on account of Family Pension Fund Contributions was collected from the establishments and Rs. 20.10 crores were contributed by the Government of India. The amount which remained in arrears from the establishments as on 31st March, 1980 was Rs. 1.55 crores. Payments in 1,36,614 cases, involving Rs. 209.84 lakhs, were made during the year.

It is provided under the Scheme, that the administrative expenditure on its implementation is to be met by the Government of India. Since 1971 a total amount of Rs. 392.51 lakhs had been received by the Organisation from the Government of India for this purpose. However, the Organisation was meeting the expenditure on the administration of the Scheme out of the E.P.F. Administration Account and the amounts received from the Government of India towards administrative expenditure of the scheme had been taken as income in the income and expenditure account.

The Organisation stated (July 1981) that the work on the implementation of Employees' Family Pension Scheme, 1971 and Employees' Provident Funds Scheme, 1952 was, by and large, integrated and that the expenditure on the administration of both the Schemes was common. The expenditure on the administration of the Employees' Family Pension Scheme was, therefore, met initially from the E.P.F. Administration Account. It was further stated that the regions had been advised to send statements showing the expenditure apportioned (for the administration of Employees' Family Pension Scheme, 1971) on the basis of the prescribed formula for the period March, 1971 to March, 1980 certified by the State Accountants General concerned.

8. Employees' Deposit-linked Insurance Scheme

Introduced from 1st August 1976, the Scheme is provided for payment to the dependent of a member of an additional amount equal to the average of the preceeding three years' balance at the credit of the members' Provident Fund, subject to a ceiling of Rs. 10,000 in the event of his death while in service.

There were 104.64 lakhs members of the Scheme as on 31st March, 1980 of which 36.61 lakhs were in exempted establishments and 68.03 lakhs in un-exempted establishments. The Organisation collected contributions and administrative charges from the employers of the establishments and from the Government of India during 1976-1980, as detailed below :—

Year	<i>Recoveries from employers</i>		<i>Recovery from Govt.</i>	
	<i>Towards Contribution</i>	<i>Towards Administrative charges</i>	<i>Towards Contribution</i>	<i>Towards Administrative charges</i>
				(Rupees in crores)
1976-77	7.18	1.51	4.75	0.95
1st Aug. 76 to March 77				
1977-78	15.60	3.31	6.96	1.50
1978-79	16.13	3.52	7.31	1.55
1979-80	16.75	3.77	7.50	1.55

During the period 1st August, 1976 to 31st March, 1980, payments has been made by the Organisation in 13,900 cases involving Rs. 8.59 crores. The transactions relating to the Scheme had not been exhibited in the consolidated accounts.

The Organisation stated (July 1981) that action to prepare the accounts of the Scheme upto 1979-80 was being taken up separately.

9. Group Insurance Scheme

Introduced from 1st January, 1979 the scheme is applicable for all employees of the Organisation within the age group of 18 to 58 years. Under it, an assurance is effected on the life of each member under the Renewable Term Insurance Plan for a sum of Rs. 5,000/- for which the employer pays the annual premium in respect of each member. Contributions received from the members and payments made under the Scheme are accounted for under Central Administration Account No. 4.

The contributions recovered from the employers during 1979-80 amounted to Rs. 4,02,357.35 and the corresponding remittance made to the Life Insurance Corporation of India amounted to Rs. 1,23,504.03. Both the receipts and payments on account of this Scheme had been taken to the income and expenditure account for 1979-80 and the excess of income over expenditure on this account was merged with the revenue surplus which stood at Rs. 3,64,89,591.53 under the head "Administration account" on the liability side of the balance sheet.

As the transaction relates to a Scheme different from the normal E.P.F. Scheme for which annual accounts are compiled, it was not proper to account the transactions in the income and expenditure account of E. P. F. Scheme and the net balance would need to be carried forward under a separate account "Group Insurance Scheme" in the balance sheet.

10. Arrears in issue of annual statement of accounts to the subscribers

As on 31st March, 1980 the number of pending annual statements of accounts to subscribers of E. P. F. was 58.28 lakhs :-

Number of accounts upto	1977-78	19.94 lakhs
Number of accounts upto	1978-79	38.34 lakhs

The regions in which arrears exceeded one lakh were Kerala (2,73,218), Maharashtra (15,18,852), Orissa (1,11,563) Tamil Nadu (3,84,630), Uttar Pradesh (9,04,887) and West Bengal (21,41,130).

The Organisation stated that out of 58.28 lakhs statements pending as on 31st March, 1980 about 27.86 lakhs were issued subsequently up to 31st December, 1980.

11. Inspection of exempted and unexempted establishments.

For proper implementation of the schemes introduced under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, field inspectors in every Regional Office are required to inspect establishments covered under the Act, normally thrice a year, according to the norm laid down by the Organisation. The number of establishments covered under the scheme and the position of their inspections during the period 1975-76 to 1979-80 was as under :-

Year	Number of establishments covered as on 31st March	Number of inspections due during the year (once in 4 month)	Number of inspections carried out during the year	Number of inspections in arrears as on 31st March	Number of establishment which remained un-inspected at the end of year.
1975-76	67,354	2,02,062	1,24,398	77,664	2,201
1976-77	75,399	2,26,197	1,56,472	69,725	1,549
1977-78	81,822	2,45,466	1,67,541	77,925	20,797
1978-79	88,110	2,64,330	1,86,263	78,067	24,665
1979-80	93,094	2,79,282	1,97,045	82,237	20,965

The above data clearly show that a large number of establishments remained uninspected and the number of inspections in arrears was also quite large at the end of each year. Information about the number of inspections in arrears pertaining to exempted and unexempted establishments separately was not available with the Organisation.

12. Declaration of lower rate of interest on Provident Fund amounts by exempted establishments.

Exemption from the operation of all or any of the provisions of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, can be granted to an establishment by the competent authority under section 17(1) *ibid* subject to the condition that "the employers shall credit every year to the account of each member interest at such rates as may be determined by the Board of Trustees and such rates shall not be less than the one determined by the Government from time to time". Further, the exemption is liable to be cancelled for breach of any condition by the exempted establishments as detailed in the letter granting the exemption.

It was observed from paragraph 5.7 of the Annual Report of the Organisation for 1979-80 that a number of exempted establishments declared rate of interest lower than that of 8.25 per cent declared by the Government of India as detailed below :-

<i>Sl. No.</i>	<i>Rate of interest declared (percent per annum)</i>	<i>Number of exempted establishments</i>
1.	Less than 4	2
2.	4-6	215
3.	More than 6 but less than 8.25	1,131
4.	8.25 and above	683
Total		<u>2,031</u>

This was in contravention of the conditions of exemption.

The Organisation stated (July 1981) that the matter was receiving attention of the Central Board of Trustees for taking necessary action in the matter.

Sd/-
(M. M Mehta)
Director of Audit, Central Revenues

AUDIT CERTIFICATE

I have examined the foregoing accounts for the year 1979-80 and the Balance Sheet as on 31st March, 1980 of the Employees' Provident Fund Organisation and obtained all the information and explanations that I have required and subject to the observations in the Audit Report appended. I certify as a result of my audit, that in my opinion these accounts and the Balance Sheet are properly drawn up so as to exhibit a true and fair view of the state of affairs of the Organisation according to the best of my information and explanation given to me and as shown by the books of the Organisation.

Sd/-
(M.M. Mehta)
Director of Audit, Central Revenues.

New Delhi.
Dated 14 Sept., 1981

Reasons for delay in submission of the Consolidated Accounts for the Employees' Provident Fund Organisation for the year 1979-80

The accounts in respect of the Employees' Provident Funds Scheme 1952 remained in arrears for some reasons which were explained on the Statement laid on the Table of Lok Sabha on 1st Feb., 1980 and on the Table of Rajya Sabha on 2nd Feb., 1980 along with the accounts for the year 1978-79 said therein. A time bound programme for laying the accounts duly audited was drawn up in consultation with the Comptroller and Auditor General of India. According to this programme the final accounts for the year 1979-80 were to be laid before Parliament by 31.7.1981. The accounts, according to the time bound programme, were due for submission to Director of Audit, Central Revenues on 31.1.1981, however, they were submitted to the Director of Audit, Central Revenues on 9.3.1981, for audit and certification. The audit of the accounts was conducted during the period from 6.4.1981 to 25th July 1981. During the course of audit, the accounts were recast on the light of the audit observations and the certified accounts of the Regions, received during the course of Audit and the recast accounts were handed over to Audit Party on 18.6.1981. A draft audit report was received from Director of Audit, Central Revenues, New Delhi on 2.9.1981 and para-wise comments thereon were sent on 4.9.1981. The audit report along with the certified accounts was received in the Ministry of Labour on 14.9.1981 (despatched by the Director of Audit, Central Revenues, New Delhi on 14.9.1981).

Conclusion : Although efforts were made to keep the target date, the accounts had to be recast on the basis of the audit observations which had taken unexpectedly a little more time in finalising the accounts. It is the endeavour of the Government to ensure that the accounts are submitted according to the time-schedule. Every effort is being made to have the accounts for the year 1980-81 audited according to the time schedule drawn up and place the certified accounts before the Parliament by the earliest possible date.

It may also be mentioned that the Employees' Provident Fund Organisation is also responsible for Administration of the Employees' Family Pension Scheme, 1971 and the Employees' Deposit-linked Insurance Scheme, 1976. The accounts in respect of these Schemes upto 31.3.1980 are under compilation and will be laid on the Table of Parliament as early as possible.