

**GOVERNMENT OF INDIA
LABOUR AND EMPLOYMENT
LOK SABHA**

UNSTARRED QUESTION NO:1172
ANSWERED ON:08.08.2011
EPF DEFAULTERS
Ramasubbu Shri S.;Viswanathan Shri P.

Will the Minister of LABOUR AND EMPLOYMENT be pleased to state:

- (a) the number of units, establishments and employers who have defaulted in depositing the provident fund collected from the workers and employees during each of the last three years alongwith the total amount involved therein, separately, State-wise;
- (b) whether the Government has taken any action to recover the amount which was not remitted to the concerned authorities but remained with the defaulters;
- (c) if so, the details thereof alongwith the amount recovered from them during the said period, separately, State-wise and year-wise;
- (d) whether the Government proposes to take stringent action against such defaulters; and
- (e) if so, the details thereof and if not, the reasons therefor?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF LABOUR AND EMPLOYMENT(SHRI MALLIKARJUN KHARGE)

(a) The total number of defaulting establishments during the year 2010-2011 is 1,61,756 and total arrears during the year 2010-2011 is Rs. 4,62,084.38 lakhs. The State-wise details of defaulting establishments for the last three years i.e. 2008-09, 2009-10 & 2010-2011 is given at Annexure-'I'. The arrears include cases where employees' share was deducted by the employers but was not deposited with the Employees' Provident Fund Organisation.

(b) Yes, Sir.

(c) The actions taken against the defaulters under the Act are:

Initiation of inquiry under section 7A of the Act for assessment of dues.

Levy of Damages under section 14B for belated remittances.

Recovery measures under section 8 of the Act/provisions of the Second and Third Schedules to Income Tax Act, 1961 which includes:

Attachment of movable and immovable property

Appointment of receiver.

Arrest of defaulters.

Filing of Prosecution cases under section 14 of the Act.

The amount recovered from the defaulting establishments during the last three years is as below:

Year Establishments Amount recovered (Rs. in lakhs)

2008-09 68,422 91,815.70

2009-10 73,169 1,20,830.63

2010-11 83,539 1,63,870.54

The State-wise details of amount recovered for the last three years i.e. 2008-09, 2009-10 & 2010-2011 is given in Annexure-I. The arrears recovered include the cases where employees' share was deducted by the employers but was not deposited with the Employees' Provident Fund Organisation.

(d) Yes, Sir.

(e): (i) Action is taken against defaulters after detection of default and proper show-cause as per penal provisions of the Employees' Provident Funds & Miscellaneous Provisions Act, 1952 as follows:

(A): FIR under section 406/409 of the IPC is filed with the Police in respect of Employees' share in default.

(B): Complaint under section 110 Cr. P.C. is lodged for filing applications before Executive magistrate against persistent defaulters to execute bond for rendering good behavior.

(ii) The FIR under section 406/409 of the IPC initiated during the last three years against the employers who have defaulted in depositing the fund collected from the employees is given below:

Year	FIR under section 406/409 of the IPC
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2008-09	251
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2009-10	662
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2010-11	475
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(iii) The State-wise details of FIR under section 406/409 initiated during the last three years is given in Annexure-II.