

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

UNSTARRED QUESTION NO:4365

ANSWERED ON:29.08.2011

PF SCAM

Baitha Shri Kameshwar ;Deshmukh Shri K. D.;Gandhi Shri Dilip Kumar Mansukhlal;Muttamwar Shri Vilas Baburao;Sharma Shri Jagdish

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

- (a) whether a large number of cases of corruption and misappropriation of Provident Fund (PF) are coming to the notice of the Government during each of the last three years and the current year;
- (b) if so, the details thereof alongwith the amount involved therein, State-wise;
- (c) the number of persons/officials/firms booked so far by the Central Bureau of Investigation in these scams during the said period, State-wise;
- (d) whether the Government has no fool-proof system for maintaining and realisation of PF; and
- (e) if so, the reasons therefor and the remedial measures taken or being taken by the Government in this regard?

Answer

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

(a) to (c): The details of such cases noticed during the last three years and current year are given at annexure.

(d): The Employees' Provident Fund Organisation has a well defined system of maintenance of accounts and the accounting practices are codified as per the Manual of Accounting Procedure.

In so far as the realization of Provident Fund monies are concerned, non-realization is a recurring concern where a large number of complaints and grievances are being received and attended to for appropriate action regarding evasion of Employees Provident Fund dues by employers.

(e): The reasons can be primarily attributed to the fact that the employer perceives that the cost of compliance is high and is thus unwilling to pay his part of the 12 percent contribution to the Fund.

To check evasion and enforce compliance, action under various provisions of the Employees' Provident Funds & Miscellaneous Provisions Act, 1952 are being taken not only to ensure that correct assessments are made and the amounts recovered, but even evasions are discouraged by invoking various provisions of the Employees' Provident Funds & Miscellaneous Provisions Act, 1952 especially those provided under Section 7 & Section 14.

Computerization has now been completed, and e-challan systems introduced.This will make detection of evasion easier, electronically.