

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

UNSTARRED QUESTION NO:3760

ANSWERED ON:17.12.2012

EMBEZZLEMENT OF PF

Adhi Sankar Shri ;Jagannath Dr. M.

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

(a) whether the Government is aware of large scale irregularities relating to Provident Fund (PF) contributions in large institutions at various locations of the country including Andhra Pradesh;

(b) if so, the details thereof;

(c) whether such Institutions were deducting PF from salaries of its employees but was either not crediting it to their PF accounts or was crediting lesser amounts or crediting PF accounts of only a few employees; and

(d) if so, the details thereof along with the action taken by the Government against the responsible officials for such embezzlement during the last three years and the current year?

**Answer**

MINISTER OF STATE FOR LABOUR AND EMPLOYMENT (SHRI KODIKUNNIL SURESH)

(a): Wherever irregularities are noticed by the field offices of Employees' Provident Fund Organization (EPFO) in depositing Provident Fund contribution by the establishments anywhere in the country including Andhra Pradesh, action under Section 7A of Employees' Provident Funds & Miscellaneous Provisions Act, 1952 are initiated to quantify the amounts due. EPFO does not maintain this information separately for large establishments.

(b): Details of inquiries under way as on 30.06.2012 against such establishments are at Annexure-I.

(c): Instances have come to the notice of Employees' Provident Fund Organisation where Provident Fund was deducted from the salary of the employees but not deposited by the establishments in the Fund of Employees' Provident Fund Organisation.

(d): There are 132 establishments which have deducted an amount of Rs. 419.84 lakhs from the salaries of their employees but failed to deposit in the Fund of Employees' Provident Fund Organisation.

Prosecution cases for non-deposit of contribution and non-submission of returns have been filed under Section 14 of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 against such employers.

FIRs under Section 406/409 of IPC have also been lodged with Police authorities against those employers who had deducted Provident Fund contribution from the salaries of their employees but failed to deposit it with Employees' Provident Fund Organisation. Actions taken against such establishments for last three years and for the current year (upto June-2012) are at Annexure-II & III, respectively.