

LOK SABHA DEBATES

LOK SABHA

Wednesday, March 11, 1981/Phalgun
28, 1902 (Saka)

The Lok Sabha met at Eleven of the
Clock

[MR. SPEAKER in the Chair]

ORAL ANSWERS TO QUESTIONS

Non-Deposit of Employees Provident Fund by the Companies

*309. SHRI AJOY BISWAS: Will
the Minister of LABOUR be pleased
to state:

(a) how many companies have not
deposited workers' and employees'
contribution towards provident fund
account and amount involved there-
of; and

(b) what are the steps taken by
the Government against those who
did not deposit the contribution?

THE MINISTER OF STATE IN
THE MINISTRY OF LABOUR

(SHRIMATI RAM DULARI SINHA):
(a) and (b). A statement is placed
on the Table of the House.

Statement

As on 31-12-80, 6270 establishments
had failed to deposit the contribu-
tions to the Employees Provident
Fund Scheme. The amount involv-
ed in default was Rs. 4191.42 lakhs.

The following steps have been ta-
ken by the Provident Fund Authori-
ties to recover the dues in respect of
unexempted establishments:—

(a) In all cases of default proce-
edings are initiated under section 7A
of the Employees' Provident Funds
and Miscellaneous Provisions Act,
1952, to determine the dues payable
by the defaulting establishments and
to issue demand notices. During the
period from 1-4-80 to 31-12-80 pro-
ceedings under section 7A in respect
of 5638 cases were completed.

(b) In cases where the establish-
ments fail to remit the moneys in
response to the demand notices, reve-
nue recovery certificates are issued
in terms of Section 8 of the Act.
During the period 1-4-80 to 31-12-80,
1254 certificates were issued. As on
31-12-80, 19165 certificates were pen-
ding execution with District Revenue
Authorities of the State Governments.

(c) In cases of default for a con-
tinuous period of three months or
more and in cases where the arrears
exceed Rs. 10,000/- prosecutions are
also launched under Section 14 (A)
or 14(AA) as the case may be. Dur-
ing the period from 1-4-80 to 31-12-80
prosecutions were launched in 1039
cases. As on 31-12-80, 27,589 cases
were pending trial in the various
Courts.

(d) In cases where the employers,
having deducted the contributions of
the employees from their wage bill,
fail to remit the money to the Provi-
dent Fund, complaints are filed under
Section 406/409 of the Indian Penal
Code. During the period from
1-4-1980 to 31-12-80, 128 complaints
were filed with the Police Authori-
ties. As on 31-12-1980, 1130 comp-
laints were pending investigation by
the Police Authorities.

(e) In cases where remittances are
made after the due dates, show cause
notices under Section 14(B) are

issued, and if no satisfactory explanation is given, penal damages are levied. As on 31-12-1980 a sum of Rs. 1261.96 lakhs was outstanding on account of damages levied by the Regional Provident Fund Commissioners against employers of defaulting establishments.

In cases of exempted establishments prosecutions are filed under Section 14(2) (A) against the employers of defaulting establishments for non-transfer of provident fund contributions to the Board of Trustees. Besides, complaints under Section 406/409 of Indian Penal Code are also filed against the employers of exempted establishments who, having deducted from the wages of the employees, fail to transfer the same to the Board of Trustees. During the period from 1-4-1980 to 31-12-1980 prosecutions were launched in 147 cases and complaints were filed with the Police under Sections 406/409 of the Indian Penal Code in 7 cases.

SHRI AJOY BISWAS: I have gone through the statement. In the statement it has been said that proceedings under section 7A of the Employees' Provident Fund Act in respect of 5638 cases were completed; 1,254 certificates were issued; 27,589 were pending trial in the various courts; and 1130 complaints were pending investigation by the police authorities. But from the statement I do not see that any action has been taken against the defaulters by the Government or the court has inflicted any punishment on the employers...

MR. SPEAKER: Put the question.

SHRI AJOY BISWAS: You will agree, Sir, that this is a criminal offence on the part of the employers; they have failed to deposit the amount deducted towards Provident Fund. My specific questions is this. How many cases have been instituted and in how many cases prosecution resulted in conviction and what is the extent of punishment....

MR. SPEAKER: Put one question; give the others also a chance.

SHRI AJOY BISWAS: I want to know in how many cases the prosecution has resulted in acquittal and whether such acquittals are due to the failure of the Provident Fund authorities?

श्रीमती राम दुलारी सिन्हा: स्टेटमेंट में कहा गया है कि अब तक 6270 इस्टैबलिशमेंट्स ऐसे हैं जिन्होंने प्राविडेंट फंड की कंट्रीब्यूशन्स डिपॉजिट नहीं की हैं।

They had failed to deposit the contributions to the Employees Provident Fund.

जहाँ तक माननीय सदस्य ने यह पूछा कि कितनी प्राबिक्युशन्स पेंडिंग हैं, कितने एक्वीटल हुए और कितनों को सजा हुई तो मैं बतलाना चाहती हूँ।

The total number of prosecutions pending disposal as on 31st March, 1979....

अध्यक्ष महोदय: यह तो आपने बता दिया है स्टेटमेंट में। सिर्फ इतना बता दीजिए कि कितनों को सजा हुई।

SHRIMATI RAM DULARI SINHA: In 27 of these cases, the accused were awarded compulsory imprisonment. The number of cases which ended in acquittal was 276 from 1st April, 1979 upto 31st March, 1980.

SHRI AJOY BISWAS: It is a serious thing: out of the total number of defaulters, only 27 have been prosecuted.

My second supplementary is this. What has been given in the statement is only the number of cases where the workers' contribution which was deducted has not been deposited. My second question is, in how many cases the employers have not deposited their share to the Provident Fund and the total amount thereof, and whether the Government has made

any attempts to attach the properties of the employers and the results thereof.

श्रीमती राम दुलारी सिन्हा : मैं सवाल नहीं समझ सकी।

अध्यक्ष महोदय : कितने लोगों की प्रापर्टी बटच की गई?

श्रीमती राम दुलारी सिन्हा : इसके लिए तो नोटिस चाहिए।

(व्यवधान)

MR. SPEAKER: He can give a fresh notice.... (Interruptions) It is the court that decides and not the Government. It is so simple.

SHRI AJOY BISWAS: I wanted to know whether the court has given any order to attach the property of the defaulters. That can be answered.

SHRIMATI RAM DULARI SINHA: I have already stated that in all cases default proceedings are initiated under Section 7A of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 to determine the dues payable by the defaulting establishments and to issue demand notices. During the period from 1-4-80 to 31-12-80 proceedings under section 7A in respect of 5638 cases have been completed and in cases where the establishments have failed to remit the money, certificates are issued and then proceedings are also launched.

SHRI KRISHNA CHANDRA HALDER: I would like to know this from the hon Minister. Sir, she has mentioned that about 6270 establishments have failed to deposit the contribution to the Employees Provident Fund Scheme. Out of this may I know how many are State government undertakings and how many are Central Government undertakings, have failed to deposit their provident fund contributions of their employees?

MR. SPEAKER: That is given in the written answer.

SHRI KRISHNA CHANDRA HALDER: There is no information.

MR. SPEAKER: I have read it.

SHRI KRISHNA CHANDRA HALDER: How many of them are public sector undertakings—that he has not mentioned.

MR. SPEAKER: Public sector—yes, that is not there.

SHRI KRISHNA CHANDRA HALDER: Let me complete my question Sir. In how many cases have they deposited the provident fund contributions.

SHRIMATI RAM DULARI SINHA: State-wise break-up I do not have. It is very difficult and I request the hon. Member to give me a fresh notice and I will satisfy him.

SHRI KRISHNA CHANDRA HALDER: In how many cases they have deposited?

MR. SPEAKER: Please give notice of another question.

SHRI XAVIER ARAKKAL: There is a Review Committee to go into this problem and they have made certain suggestions. I would like to know (a) what those recommendations are; and (b) there was a suggestion to open Regional Provident Fund Offices. I personally requested for opening a regional office at Cochin.

On these two things I would like to get an answer from the hon. Minister.

SHRIMATI RAM DULARI SINHA: There was a Review Committee on Employees' Provident Fund and the Chairman of the Committee was Mr. Ramanujam. Sir, a lot of recommendations was made by this Committee and its report will be placed on the Table of the House.

MR. SPEAKER: Shri Chandra Pal Shauani....

Shri Ram Gopal Reddy.

Setting up of Turnkey Projects

*312. SHRI M. RAM GOPAL REDDY: Will the Minister of INDUSTRY be pleased to state:

(a) whether Government are considering to set up 200 turnkey projects in developing countries; and

(b) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF INDUSTRY (SHRI CHARANJIT CHANANA): (a) No, Sir.

(b) Does not arise.

SHRI M. RAM GOPAL REDDY: Why 'No', Sir? I want to know, Sir, ours is one of the ten industrialised countries and we have been giving a lot of assistance to several developing countries. I want to know whether any turnkey project has been taken up. If not, why not and whether any country has approached us for setting up turnkey projects.

I understand there are private firms which are doing turnkey projects. I want to know whether the Government has got any information or not.

SHRI CHARANJIT CHANANA: I appreciate the hon. Member has amended his question because the reply 'No, Sir.' was with reference to the number, statistical number he has mentioned, i.e. 200 turnkey projects. In fact there are series of turnkey projects which are in progress and which are under negotiations also. The hon. Member is correct that both the private sector and public sector are working on it. But I can mention the most important ones as the co-ordinated data is not there since individual Ministries are doing it and private people are also doing that.

There are projects where the private sector and public sector together are doing it. He would appreciate that the turnkey project is the total execution of a project and, if the hon. Member is interested to know the major Indian projects abroad, I can read them out or, if he wants, I can place them on the table of the House.

SHRI M. RAM GOPAL REDDY: Let him read it.

SHRI CHARANJIT CHANANA: All right. One is the construction project in Kuwait. The nature of the project is the township and a defence camp. The contract in terms of money is Rs. 230.00 crores and Rs. 18.00 crores. In Libya, the turnkey project relates to the construction of houses and dams.

SHRI M. RAM GOPAL REDDY: Let him submit a list.

SHRI CHARANJIT CHANANA: I shall do so.

SHRI NAWAL KISHORE SHARMA: Let him place it on the table of the House for the information of the Members.

SHRI CHARANJIT CHANANA: I will do that.

SHRI M. RAM GOPAL REDDY: I want to know how much of money is being invested and how much we are going to make out of that?

SHRI CHARANJIT CHANANA: As for the money involved in it, we will have to conduct a search of the turnkey projects both in the private sector as well as in the public sector.

As far as the investments are concerned, there is a column of the investment involved for each project. Project-wise it is given there. The hon. Member's second question relates to the profit earned. That would be only after the projects are executed and after the balance sheets are prepared.