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FIFTEENTH KERALA LEGISLATIVE ASSEMBLY

**COMMITTEE
ON
PUBLIC UNDERTAKINGS
(2023-2026)**

TENTH REPORT
(Presented on 1st February, 2024)

SECRETARIAT OF THE KERALA LEGISLATURE
THIRUVANANTHAPURAM
2024

FIFTEENTH KERALA LEGISLATIVE ASSEMBLY

COMMITTEE

ON

PUBLIC UNDERTAKINGS

(2023-2026)

10th REPORT

On

**The action taken by Government on the Recommendations
contained in the Twenty First Report of the Committee
on Public Undertakings (2016-2019) relating to
Plantation Corporation of Kerala Limited
based on the Report of the Comptroller and
Auditor General of India for the year
ended 31st March, 2011**

CONTENTS

	<i>Page</i>
Composition of the Committee ..	v
Introduction ..	vii
Report ..	1
Chapter I :	
Replies furnished by the Government on the recommendations ..	2
of the Committee which have been accepted by the Committee	
with remarks	

COMMITTEE ON PUBLIC UNDERTAKINGS
(2023-2026)

COMPOSITION

Chairman:

Shri E. Chandrasekharan

Members:

Shri A. P. Anil Kumar

Shri Anwar Sadath

Shri Ahammad Devarkovil*

Shri T. V. Ibrahim

Shri P. Mammikutty

Shri K. P. Mohanan

Shri D. K. Murali

Shri P. Nandakumar

Shri Kadakampally Surendran

Shri P. Ubaidulla.

Legislature Secretariat:

Shri Shaji C. Baby, Secretary- in -charge

Shri Venugopal R., Joint Secretary

Smt. Jayasree M., Deputy Secretary

Shri Mohanan O., Under Secretary.

* In the vacancy of Shri K. B. Ganesh Kumar sworn in as Transport Minister w.e.f.

INTRODUCTION

I, the Chairman, Committee on Public Undertakings (2023-26) having been authorised by the Committee to present the Report on their behalf, present this 10th Report on the Action Taken by Government on the Recommendations contained in the Twenty First Report of the Committee on Public Undertakings (2016-19) relating to Plantation Corporation of Kerala Limited based on the Report of the Comptroller and Auditor General of India for the year ended 31st March, 2011.

The Statement of Action Taken by the Government included in this Report was considered by the Committee at its meeting held on 6-9-2022.

This Report was considered and approved by the Committee at its meeting held on 26-8-2023.

The Committee place on record their appreciation for the assistance rendered to them by the Accountant General (Audit), Kerala who was present during the examination of the Action Taken Statements included in this Report.

E. CHANDRASEKHARAN

Thiruvananthapuram,
1st February, 2024.

*Chairman,
Committee on Public Undertakings.*

REPORT

This Report deals with the action taken by the Government on the recommendations contained in the Twenty First Report of the Committee on Public Undertakings (2016-19) relating to the Plantation Corporation of Kerala Limited based on the Report of the Comptroller and Auditor General of India for the year ended 31st March 2011.

The Twenty First Report of the Committee on Public Undertakings (2016-2019) was presented to the House on 9th March 2017. The Report contained two recommendations and the Government furnished replies to these recommendations.

The Committee considered the replies received from the Government at its meeting held on 6-9-2022.

The Committee accepted the replies to the recommendation in Para No. 6 and 7 with remarks. These recommendations and the replies furnished by the Government forms Chapter I of this Report.

CHAPTER – I
REPLIES FURNISHED BY THE GOVERNMENT ON THE RECOMMENDATIONS
OF THE COMMITTEE WHICH HAVE BEEN ACCEPTED BY
THE COMMITTEE WITH REMARKS

Sl. No.	Para No.	Department Concerned	Conclusions/ Recommendations	Action Taken by the Government
(1)	(2)	(3)	(4)	(5)
1	6	Agriculture Department	The Committee observes the Corporation's wilful negligence in adhering to the ceiling fixed by the Government with regard to the remittance of EPF contribution as an act of impertinence. Therefore, the Committee desires that Corporation should furnish a detailed report with regard to the excess remittance of EPF contribution urgently.	As desired by the Committee a detailed report with regard to excess remittance of EPF combination is furnished below:- As per G. O. (Rt.) 492/2013/TD dated 25-6-2013, sanction and concurrence was granted to Kerala State Beverages Corporation and Kerala State Centre for Advanced Printing and Training to make EPF contribution without limiting monthly salary ceiling of Rs 6500/-. The EPF Commissioner has also made clarification regarding the payment of EPF to the Unions of the Beverages Corporation and is as follows:-

(1)	(2)	(3)	(4)	(5)
				<p>There is a statutory upper wage limit of Rs. 6,500/- for contributing towards EPF. However provisions has been made in the EPF scheme 1952 under para 26(6) to contribute on more than Rs. 6500/- of pay per month without any upper salary limit provided the employer and the employees give an undertaking in writing and the employer shall pay administrative charges payable and shall comply with all statutory provisions applicable to it.</p> <p>Section 12 of the EPF and MP Act prohibits the employer from reducing whether directly or indirectly the total quantum of benefits admissible in the form of PF, insurance or pension to which the employees are entitled.</p> <p>In view of the above provisions, clarification from the Regional</p>

(1)	(2)	(3)	(4)	(5)
				<p>Provident Commissioner was obtained in the matter pertaining to PCKL along with a copy of the letter from the Regional Provident Commissioner to the Union of Beverages Corporation and the Assistant PF Commissioner informed that the clarification given by PF Commissioner in the cases of wages beyond Rs. 6,500/- is applicable to PCKL also.</p> <p>The matter was placed before the 376th Director Board Meeting of PCKL dated 16-2-2012. The Board of Directors in its decision No.376/17, decided "to extend the present facility of allowing Management Contribution without restricting the limit of 6,500 to the employees of the Corporation which is prevailing in other Public Sector Undertakings."</p>

(1)	(2)	(3)	(4)	(5)
				<p>On 29-3-2012, vide letter No.PD/PA/145, Managing Director, PCKL submitted a request to the Government for getting a concurrence for the Board Decision to extend the ceiling limit of PF management contribution. Vide Letter No.21164/PU1/11/AD dated 26-6-2012 & 27-11-2012, PCKL was directed by the Government to inform the provisions of P.F. on this and to send a final report to Accountant General. Vide Letter No.P&A-F-2005 dated 1-7-2013, Managing Director has informed the matter to all the approved Trade Unions that, the Corporation will fix the maximum ceiling limit of the Employer Contribution which will be Rs. 6,500/- of all the employees with effect from July 2013, and</p>

(1)	(2)	(3)	(4)	(5)
				<p>further action will be initiated based on the decision of the Government and Accountant General, accordingly. As per the letter dated 17-7-2013, the office bearers of various approved Trade Unions of the Corporation have submitted a Joint Petition requesting to stop the action to restrict the EPF Contribution limit. In the meantime, Trade Unions approached Hon'ble High Court of Kerala and obtained an interim stay. Hence the management continued the existing practice. On 4-9-2013, vide letter No. KR/KTM/2628/Enf/1(1)/2013 the Asst. Provident Fund Commissioner, Sub-Regional Office, Kottayam clarified the direction given by the Regional Provident Fund Commissioner, Trivandrum and informed</p>

(1)	(2)	(3)	(4)	(5)
				<p>that, the wages beyond 6,500/- and is applicable to PCK Ltd. On 8th October 2013, the Hon'ble High Court extended the interim stay order to stop the decision for limiting the EPF Contribution by the Management. As per the Employees Provident Funds Scheme, 1952, Clause 26(6), the Asst. PF Commissioner may allow the joint request in writing of any employee of an establishment to contribute more than Rs.6,500/- per month if he is already a member of the fund subject to the condition that, the employer given an undertaking in writing that, he shall pay the administrative charges payable and shall comply with all statutory provision in respect of such employee.</p> <p>Therefore, contribution made towards PF by the employer/employees on a salary above Rs.6500/-</p>

(1)	(2)	(3)	(4)	(5)																																										
				<p>without any upper limit is in order subject to the provisions contained in para 26(6) of the EPF scheme.</p> <p>The details of excess amount remitted during 2007-08 to 2019-2020 is given below.</p> <table><tr><th>Sl. No.</th><th>Period</th><th>Amount (in lakhs)</th></tr><tr><td>1</td><td>2007-09</td><td>54.0</td></tr><tr><td>2</td><td>2009-10</td><td>48.03</td></tr><tr><td>3</td><td>2010-11</td><td>52.84</td></tr><tr><td>4</td><td>2011-12</td><td>58.13</td></tr><tr><td>5</td><td>2012-13</td><td>63.95</td></tr><tr><td>6</td><td>2013-14</td><td>70.35</td></tr><tr><td>7</td><td>2014-15</td><td>77.39</td></tr><tr><td>8</td><td>2015-16</td><td>85.13</td></tr><tr><td>9</td><td>2016-17</td><td>93.64</td></tr><tr><td>10</td><td>2017-18</td><td>102.68</td></tr><tr><td>11</td><td>2018-19</td><td>110.20</td></tr><tr><td>12</td><td>2019-20</td><td>128.26</td></tr><tr><td colspan="2">Total</td><td>944.6</td></tr></table>	Sl. No.	Period	Amount (in lakhs)	1	2007-09	54.0	2	2009-10	48.03	3	2010-11	52.84	4	2011-12	58.13	5	2012-13	63.95	6	2013-14	70.35	7	2014-15	77.39	8	2015-16	85.13	9	2016-17	93.64	10	2017-18	102.68	11	2018-19	110.20	12	2019-20	128.26	Total		944.6
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2	7	Agriculture Department	<p>The Committee express its displeasure over the improper procedure of the company in issuing orders fixing the salary ceiling for contribution to EPF as Rs. 6,500/- without the approval of the Government which paved the way for employees to approach the High Court. Therefore, the Committee recommends that the authorities of the company should be vigilant to avoid these types of procedural lapses in future.</p>	<p>In PCKL, the EPF was implemented w.e.f 1-11-1969 and the contribution at that time was 6.25% of Basic wages/pay and the DA. The PF authorities has enhanced the rate to 8% and 10% and now it is 12%. The employer is contributing equal amount. According to EPF and MP Act 1952, the EPF scheme 1952, the employer need to contribute at the rate of 10% or 12% of the wages for a maximum amount of wages up to the amount stipulated in section 6 of the Act. The ceiling on wages was raised from time to time and the ceiling amount on wages became Rs.6,500/- w.e.f 1998 and Rs. 15,000/- w.e.f. 2014 as per section 6 of the Act. Employees became eligible for pension under the EPF scheme only after 10 years</p>

(1)	(2)	(3)	(4)	(5)
				of its introduction i.e. on 2005 only. At that time only, the members could understand that the pension amount is very meagre and this led the members of the scheme to demand for employer's contribution for the entire amount of wages. Now most of the PSUs pay employer's share of contribution without any limit on wages. Members of EPF scheme filed WP(C)21407/2013 before the Hon'ble High Court, which is still pending.

The Committee considered the reply and expressed its displeasure in not providing a clear reply to the Committee's recommendation and wants to provide current status of the case pending in the Hon'ble High Court mentioned in the Government reply. The Committee offered the remarks below after considering the reply.

Remarks: The Committee directs to provide current status of the case pending in the Hon'ble High Court mentioned in the Government reply.

E. CHANDRASEKHARAN,

Thiruvananthapuram,
1st February, 2024.

*Chairman,
Committee on Public Undertakings.*