

**ANNUAL REPORT OF THE
MANGALORE REGION OF
THE EMPLOYEES'
PROVIDENT FUND
ORGANISATION FOR THE
FINANCIAL YEAR 2011-12**

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Sl. No	Name of the RO/SRO	Name of the officer-in-charge and designation	Telephone No. (Office)	Fax No.
1	Regional Office, Mangalore 'Bhavishyanidhi Bhavan', P.B No.572, Silva Road, Highlands, Mangalore – 575 002. E-mail: ro.mangalore@epfindia.gov.in	Smt. Kavitha N George, RPFC-I	0824- 2432999	0824- 2432122
2	Sub-Regional Office, Mysore No.109/128, Bhavishyanidhi Bhavan, Gayathripuram II Stage, Nazarbad Mohalla, Mysore – 570 019. E-mail: sro.mysore@epfindia.gov.in	Sri. Navin Kumar Kanaujia RPFC II	0821- 2455880	0821- 2455880
3	Sub-Regional Office, Chikmagalur Yashoram Chambers, 1 st & 2 nd Floor, Rathnagiri Road, Chikmagalur – 577 101. E-mail: sro.chikmagalur@epfindia.gov.in	Sri. Ganesh Kumar, RPFC-II	08262- 236545	08262- 237426
4	Sub Regional Office, Shimoga, IInd Floor, Karthik Plaza, Durgi Gudi, Main Road, Near Gopi Circle E-mail: apfcsroshimoga@gmail.com	Sri. K C Chandrappa, RPFC-II	08182- 275101	08182- 275102
5	Sub Regional Office, Udupi 2 nd & 3 rd Floor of Tulunadu Towers, Court Road, Udupi-576101. E-mail: sro.udupi@epfindia.gov.in	Sri. Prasanna N Muley, RPFC II	0820- 2531172	0820- 2531173

CHAPTER - 1

OVERVIEW

INTRODUCTION

The Employees' Provident Fund Organisation established in 1952 under the Employees' Provident Fund and Miscellaneous Provisions Act, 1952 is one of the premier Social Security Organisations in the world. The Organisation now administers three Schemes:

- Employees' Provident Fund Scheme, 1952
- Employees' Pension Scheme, 1995
- Employees' Deposit Linked Insurance Scheme ,1976

1.1 Currently the EPF & MP Act applies to 186 Notified Industries/Class of Establishments. The Employees' Provident Funds & Miscellaneous Provisions Act, 1952 is applicable to:

(i) Every establishment which is engaged in any one or more of the industries specified in Schedule I of the Act or any activity notified by Central Government in the Official Gazette.

(ii) Employing 20 or more persons.

(iii) The Act does not apply to Co-operative Societies/Establishments, employing less than 50 persons and working without the aid of power.

An establishment which is not otherwise coverable under the Act can be covered voluntarily with the mutual consent of the employer and the majority of its employees under Section 1 (4) of the Act.

1.2 The table below presents an overview of the benefits available under the above three Scheme

	Employees' Provident Fund Scheme, 1952	Employees' Pension Scheme, 1995	Employees' Deposit Linked Insurance Scheme, 1976
Benefits:	<p>Accumulation plus interest upon retirement, resignation, death</p> <p>Partial withdrawals allowed for specific purposes such as house construction, higher education, marriage, illness, unemployment, natural calamity.</p>	<p>Monthly Pension on superannuation / retirement, disability, survivor widow(er), children</p> <p>Amount of pension based on average salary during the preceding 12 months from the date of exit and total years of employment.</p> <p>Past service benefits also paid in case of members under EFP Scheme, 1971.</p>	<p>Provides lump-sum benefit upon death, equal to average balance in the EPF account during the preceding 12 months of death, if average P.F. balance is less than Rs.35,000/-.</p> <p>In case of average balance exceeding Rs.35, 000 amount paid will be Rs.35,000 plus 25% of the amount in excess of Rs.35,000 subject to a ceiling of Rs.60,000/-. With effect from 18.06.10 lumpsum benefit upon death equal to the average balance in the account of the deceased in the Fund or of a provident fund exempted under Section 17 of the Act, as the case may be, during preceding twelve months or during the period of his membership, whichever is less, except where the average balance exceeds rupees fifty thousand, the amount payable shall be rupees fifty thousand plus 40% of the amount in excess of rupees fifty thousand subject to a ceiling of rupees one lakh. With effect from 08.01.2011 the lumpsum benefit is equal to the average monthly wages drawn(subject to a maximum of rupees 6500) during the 12 months preceding the month in which he died, multiplied by twenty times or the amount of benefit under sub-paragraph (i) whichever is higher.</p>

1.3 Contribution & Investment

During 2011-12, the total contribution received under all the three schemes were Rs.54989.60 lakhs. The net accretions after disbursement of benefits have been transferred to the centrally controlled investment accounts. The portfolio management of the investment is handled directly by the Head Office under the supervision of the Central Board of Trustees.

1.4 Provident Fund & Other Arrears

Provident Fund & other arrears under the un-exempted category at the beginning of the financial year 2011-12 stood at Rs.2080.76 lakhs out of which Rs.1560.11 lakhs falls under Not Immediately Realizable (NIR) Category due to stay granted by High Court / EPFAT / Liquidation / BIFR etc. The amount available under Realisable category was only Rs.520.65 lakhs at the close of the financial year. The outstanding arrears has been considerably reduced due to vigorous enforcement action by resorting to various legal and coercive steps including attachment of movable and immovable assets, prosecution etc. In absolute terms, Rs.263.39 lakhs were recovered during 2011-12 against accumulated dues in respect of un-exempted establishments. The outstanding arrears in the exempted category as at the close of the financial year stood at Rs.226.63 lakhs. This represents contributions and penal damages realizable from three establishments classified as Not Immediately Realizable (NIR) Category.

Primarily due to special efforts made by the organization to detect default in time and trigger assessment and recovery proceedings, the Region could arrest the default during the year. This has also helped in immediately taking up the assessment of dues, wherever default has been committed. 670 number of assessment orders under Section 7A has been issued during the year. Fresh demand raised during 2011-12 is Rs. 1222.41 lakhs.

1.5 Service to Subscribers

- 2330238 accounts slips were issued to the members during the year under report.
- 181050 claims settled and an amount of Rs.36746.21 lakhs disbursed during the year under report.
- Out of total claims (under all the three Schemes) settled, 70.14% claims were settled within 30 days.



- At the end of the year, 8808 claims (under all the three Schemes) were pending for disposal representing 4.64% of the total workload.
- At the end of the year, there were 127676 Pensioners availing pensionary benefits under the Employees' Pension Scheme, 1995.

1.6 Regional Committee

Para 4 of the Employees' Provident Fund Scheme, 1952 provides for

Constitution of Regional Committee for each State to advise the Central Board of Trustees on matters connected with the administration of the Schemes in the State and in particular on -

- Progress of recovery of provident fund contributions and other charges
- Expeditious disposal of prosecution
- Speedy settlement of claims
- Annual rendering of accounts to members of the Fund, and
- Speedy sanction of advances

CHAPTER-2**BASIC STATISTICS OF MANGALORE REGION**

Mangalore Region was formed during May, 2005 after bifurcation of the erstwhile Karnataka Region. This Region was covering all the districts of Karnataka except the districts of Bangalore Urban, Bangalore Rural, Ramanagara, Doddaballapur, Tumkur and Kolar until the formation of Gulbarga Region in the year 2009. Now 10 districts namely Dakshina Kannada, Mysore, Mandya, Chamarajnar, Kodagu, Chikmagalur, Hassan, Shimoga, Davanagere and Udupi are coming under the jurisdiction Mangalore region. On 29.09.2011 new District Office at Davanagere has been formed. At present there are 4 Sub Regional Offices and 3 District Offices at Madikeri, Hassan & Davanagere under Mangalore Region.

Geographical distribution of P.F members office- wise is shown in Table -1

TABLE – 1		
GEOGRAPHICAL DISTRIBUTION OF P.F MEMBERS		
Office	Revenue Districts	P.F. members (in lakhs)
R.O. , Mangalore	Dakshina Kannada,	8.36
SRO, Mysore	Mysore, Mandya, Chamarajanagar & Kodagu	3.84
SRO, Chikmagalur	Chikmagalur & Hassan	1.26
SRO, Shimoga	Shimoga & Davanagere	1.10
SRO, Udupi	Udupi	1.99
TOTAL		16.55

In all the five offices under the jurisdiction of Regional Office Mangalore, the number of members covered under EPF Scheme is 16.15 lakhs in 11820 un exempted establishments and 0.40 lakh in 33 exempted establishments. Office

wise details are given below in Table-2. The corresponding figures for the year ending 2010-11 was 15.08 lakhs in 11303 un-exempted establishments and 0.39 lakhs in 33 exempted establishments.

TABLE-2						
MANGALORE REGION AN OVERVIEW						
ESTABLISHMENTS/SUBSCRIBERS/ACCOUNTS AS ON 31.03.2012						
Office	No. of establishments Covered		No. of Subscribers		No. of Accounts	
	Exempted	Un-exempted	Exempted	Un-exempted	Exempted	Un-exempted
Mangalore	5	2691	5225	577687	5225	830459
Mysore	14	4396	11526	214437	11526	372579
Chikmagalur	3	2359	5695	57092	5505	119924
Shimoga	9	1327	11900	69831	5695	98829
Udupi	2	1047	5505	115240	11900	193934
TOTAL AS ON 31.03.2012	33	11820	39851	1034287	39851	1615725
AS ON 31.03.2011	33	11303	39401	951127	39401	1508993
As on 31.03.2010	13	10719	32531	756753	32531	1360164

DIAGRAM 1

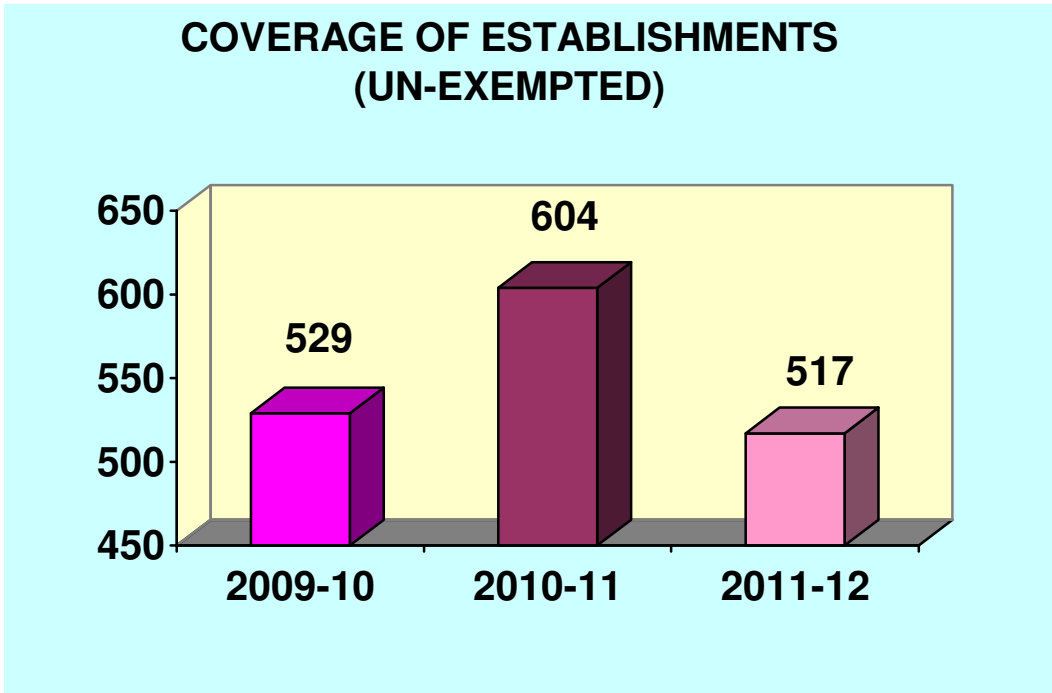


DIAGRAM – 2

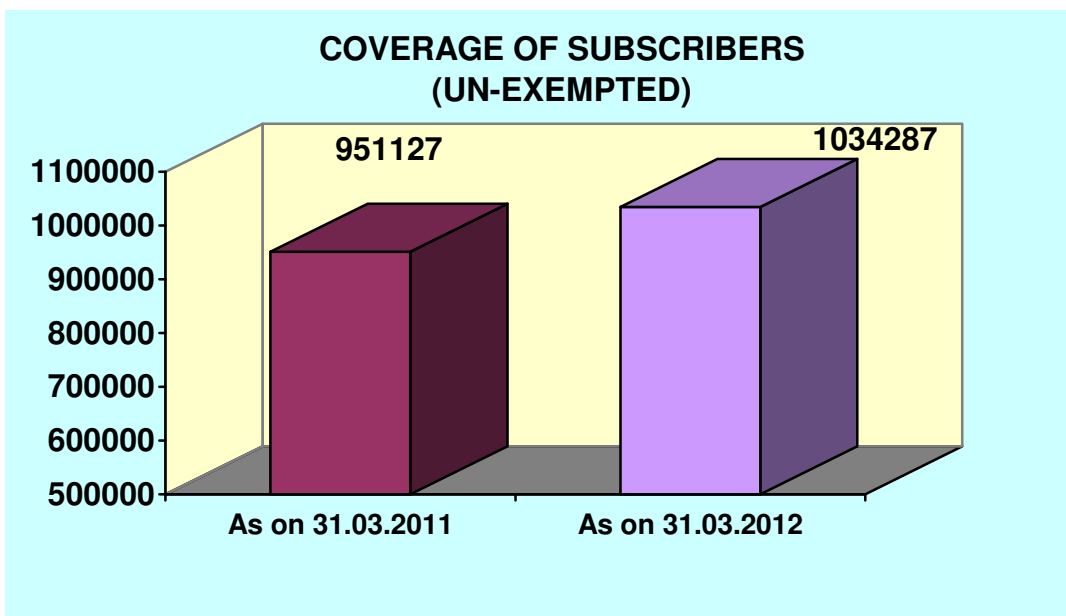
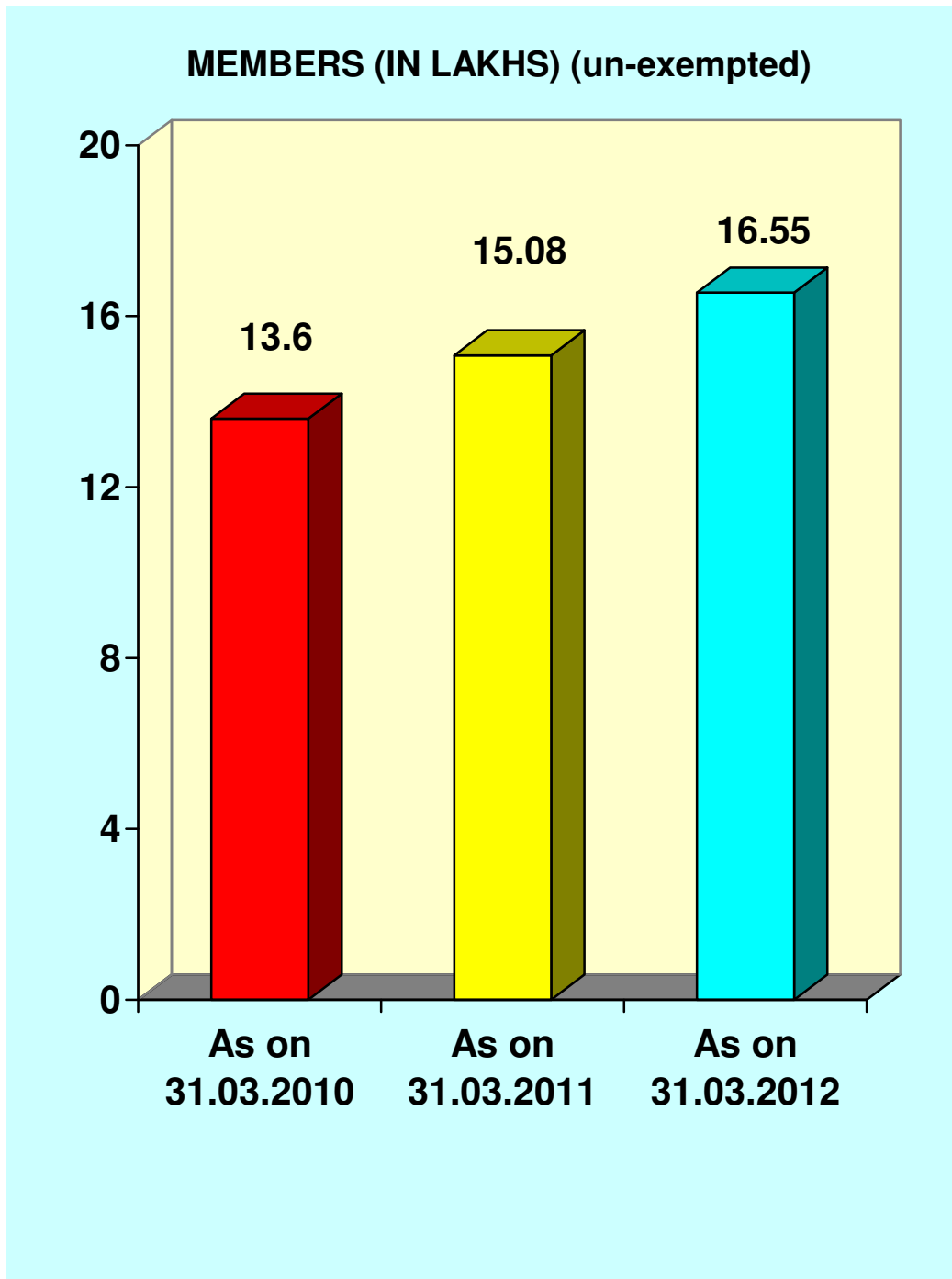


DIAGRAM 3



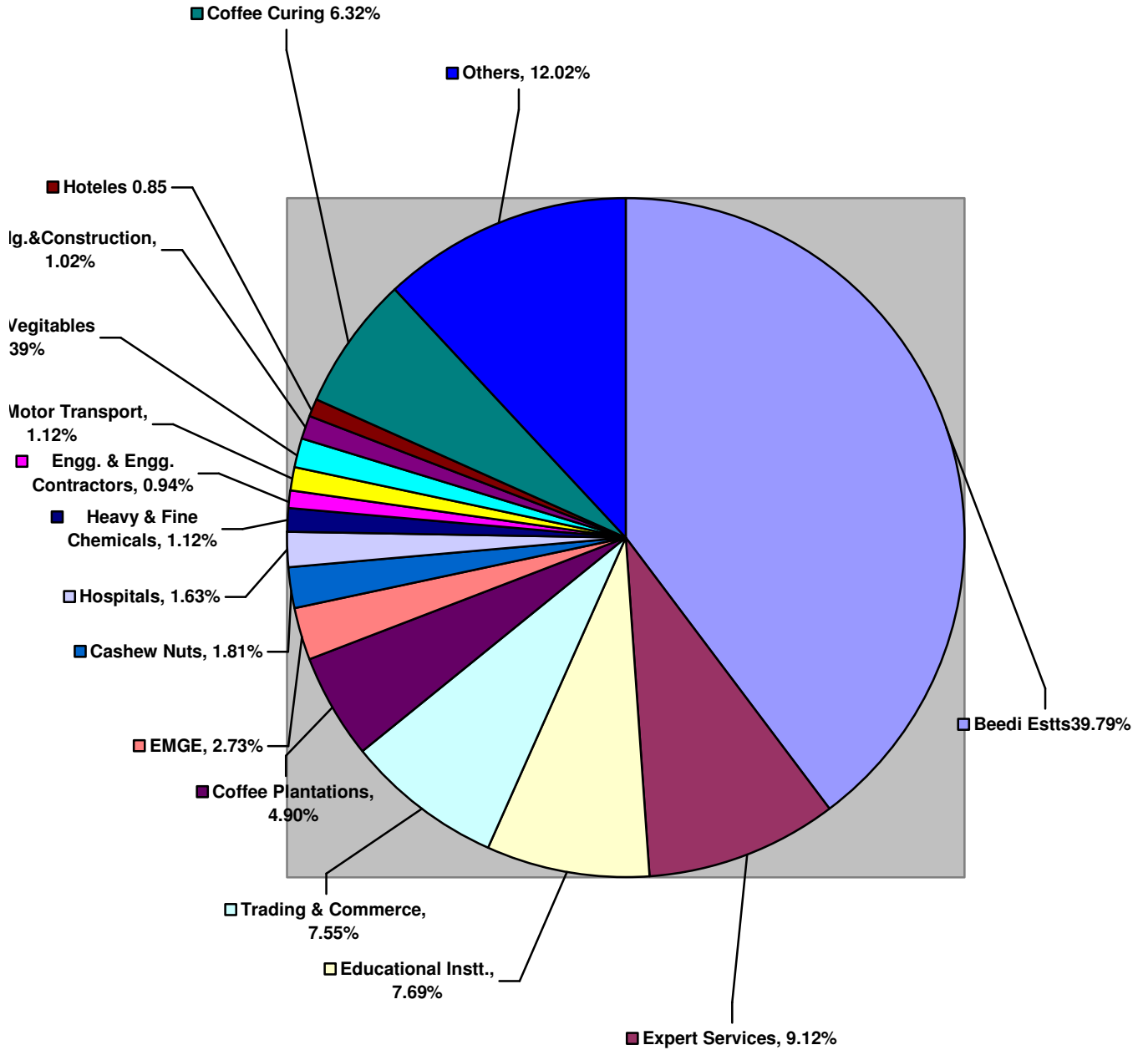
Concentration of Members (Un-exempted) Industry wise:

Table 3 indicates the list of top 15 industries in Mangalore Region.

TABLE-3			
TOP 10 INDUSTRIES IN MANGALORE REGION			
Industry	Estts covered	Accounts	% of Accounts
Beedi Establishments	184	658688	39.79
Estts. Rendering Expert Services	975	150862	9.12
Educational Institutions	1491	127337	7.69
Trading & Commercial Estts	1371	125036	7.55
Coffee Curing Estts	85	104568	6.32
Coffee Plantations	2430	80875	4.90
EMGE	601	45193	2.73
Cashew nuts	311	30003	1.81
Hospitals	227	27034	1.63
Fruit & Vegetable Preservation	18	23001	1.39
Heavy & Fine Chemicals	81	18590	1.12
Road Motor Transport	146	18583	1.12
Building & Construction	399	16888	1.02
Engineering & Engineering Contractors	333	15589	0.94
Hotels	400	14209	0.85
Others	2801	199120	12.02
TOTAL	11853	1655576	100.00%

Concentration of membership is 39.79% in beedi establishment followed by Establishments rendering Expert Service at 9.12%, Educational Institutions at 7.69%, Trading & Commercial at 7.55% and Coffee Curing at 6.32%.

TOP 16 INDUSTRIES IN MANGALORE REGION



Distribution of PF members Sector wise is shown in Table-4.

TABLE-4				
DISTRIBUTION OF P.F. SUBSCRIBERS SECTOR-WISE				
Sector	Covered Estts.	Members		
		Exempted	Un-exempted	Total
Central Public Sector Undertakings	37	451	1453	1904
State Public Sector Undertakings	103	936	18465	19401
Local Bodies	96	1094	2255	3349
Co-op. Sector	360	461	9369	9830
Pvt. Sector	11257	36909	1584183	1621092
Total	11853	39851	1615725	1655576

2.08% of the total members are in the Central, State, Local Bodies and Co-operative sector and 97.92% of the subscribers are in the Private Sector.

CHAPTER – 3

PERFORMANCE STATISTICS 2011-2012 AT A GLANCE

1. COVERAGE

No. of industries / classes of establishments to which EPF & MP Act, 1952 applied as on 31.03.2012	186
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		Exempted	Un-exempted	Total
(a)	No. of covered establishments as on 31.03.2012	33	11820	11853
(b)	Net increase during the year	-	517	517

2. MEMBERS

		Exempted	Un-exempted	Total
(a)	Employees' Provident Fund as on 31.03.2012	39851	1615725	1655576
(b)	Net increase during the year	450	106732	107182
(c)	Members of Pension Fund	39851	1615725	1655576

3. CONTRIBUTIONS RECEIVED

		Amount (in lakhs)
(a)	Employees' Provident Fund	36712.91
(b)	Employees' Pension Fund	17538.16
(c)	Employees' Deposit Linked Insurance Fund	738.52

4. ADM / INSPECTION CHARGES COLLECTED

E.P.F	2562.08 lakhs
E.D.L.I	22.89 lakhs

5. ARREARS (Amt. in lakhs)

	Workload		Recovered		Balance	
	Realisable	NIR.	Realisable.	NIR	Realisable	NIR
Un-exempted						
Arrear	520.65	1560.11	263.39	0	257.26	1560.11
Total	520.65	1560.11	263.39	0	257.26	1560.11
Exempted						
Arrear	2.20	226.63	2.20	0	0	226.63
Total	2.20	226.63	2.20	0	0	226.63

6. ARREARS – PUBLIC AND PRIVATE SECTOR BIFURCATION

Un-exempted				Exempted			
Public Sector		Private Sector		Public Sector		Private Sector	
No. of Estts.	Amount	No. of Estts.	Amount	No. of Estts.	Amount	No. of Estts.	Amount
6	296.41	1324	1520.96	1	226.63	0	0

7. STATUS OF ARREARS (NIR)

	Un-exempted			Exempted		
	No. of cases	Amt. involved (in lakhs)	% of total	No. of cases	Amt. involved (in lakhs)	% of Total
a) Stay by Court	146	999.15	64.04	0	0	0
b) Under liquidation	72	549.89	35.25	0	0	0
c) Others	41	11.07	0.71	1	226.63	100
Total	259	1560.11	100	1	226.63	100

8. ACTION AGAINST DEFAULTERS

Mode of Action	Un-exempted		Exempted	
	No. of cases	Amount recovered (in lakhs)	No. of cases	Amount recovered (in lakhs)
Bank accounts attached	349	177.35	0	0
Moveable Property attached	0	0	0	0
Immovable Property attached	0	0	0	0
Arrest of defaulters	3	3.50	0	0
Public auction	352	180.85	0	0

9. CLAIMS SETTLED DURING 2011-2012

Sl. No.	Nature of Claims	Work load excluding return / rejection	Claims settled					Claims pending	Amount Disbursed (in lakhs)
			Within 30 days	%	above 30 days	%	Total		
1	EPF Claims	88757	61611	48.51%	23321	43.14%	84932	3825	23208.93
2	Partial withdrawal / Advances	5068	2717	2.14%	2085	3.86%	4802	266	3631.89
3	Transfer cases	13879	11146	8.78%	2140	3.96%	13286	593	1452.12
4	Pension Claims (withdrawal benefits & Scheme certificates)	69249	46554	36.67%	19661	36.37%	66215	3034	3745.42
5	Monthly Pension Claims	12153	4437	3.49%	6673	12.33%	11110	1043	11654.89
6	E.D.L.I Claims	752	523	0.41%	182	0.34%	705	47	208.54
TOTAL		189858	126988	70.14%	54062	29.86%	181050	8808	43901.79

10. ISSUE OF ANNUAL STATEMENT OF ACCOUNT SLIPS (Un-exempted)

Year	Workload		Slips issued		Balance	
	Estts	Accounts	Estts	Accounts	Estts	Accounts
Prior to 2010-11	6184	676133	6182	676055	2	78
Current 2011-12	11200	1657966	11187	1654183	13	3783
Total	17384	2334099	17369	2330238	15	3861

11. MAN POWER

Category of Employee	Staff in Position
Group A	16
Group B	306
Group C	100
Group D	0
TOTAL	422

CHAPTER – 4**COMPARATIVE PERFORMANCE FOR THE LAST 3 YEARS
(UN EXEMPTED & EXEMPTED)**

		2009-10	2010-11	2011-12
1.	ESTABLISHMENTS COVERED	10732	11336	11853
2.	MEMBERS at the end of the year	13.93 lakhs (as on 31.03.10)	15.48 lakhs (as on 31.03.11)	16.55 lakhs (as on 31.03.12)
3.	FIELD OFFICES			
	Regional Offices	1	1	1
	Sub-Regional Offices	4	4	4
	District Offices	2	2	3
4.	STAFF IN POSITION	434	435	422
5.	NEW ESTABLISHMENTS BROUGHT UNDER THE ACT	529	604	517
6.	MEMBERS ENROLLED during the year	201553	155699	205546
7.	MEMBERS CEASED during the year	80915	103447	98364
8.	PROVIDENT FUND & OTHER ARREARS COLLECTED <i>(in lakhs)</i>			
	Un-exempted Sector	1167.03	1721.46	1115.13
	Exempted Sector	0	2.24	2.20
	Total	1167.03	1723.70	1117.33

9.	SERVICE TO MEMBERS			
	Annual Statement of Accounts			
	Issued during the year	1101063	1253428	2330238
	Pending	387416	509151	3861
	Claims settled	152619	160756	181050
	Provident Fund Claims	75516	70324	84932
	Partial Withdrawal / Advances	5953	5095	4802
	Transfer cases	8942	12261	13286
	Employees' Pension Claims (Withdrawal benefits)	53305	60464	66215
	Monthly Pension Claims	8308	11960	11110
	E.D.L.I. Claims	595	652	705

CHAPTER- 5

CONTRIBUTIONS AND ADMINISTRATIVE CHARGES

5.1 Contributions received:

During the year Rs.54989.59 lakhs were received towards contributions under the three Schemes. After paying the benefits, Rs.38019.72 lakhs were transferred to respective Investment Accounts. The details are furnished below:-

TABLE-5				
CONTRIBUTIONS RECEIVED & TRANSFERRED TO INVESTMENT ACCOUNTS				
(Rs. In lakhs)				
	2010-11		2011-12	
	CONTRIBUTION RECEIVED	TRANSFRD. TO INVESTMENT ACCOUNT	CONTRIBUTION RECEIVED	TRANSFRD. TO INVESTMENT ACCOUNT
EPF A/C NO.01	31212.15	24244.09	36712.91	23997.65
EPF A/C NO.10	15627.70	11157.24	17538.16	13458.07
EPF A/C NO.21	645.63	512.68	738.52	564.00

5.2 Administrative and Inspection charges:

The administrative expenditure is met out of the administration / inspection charges received from the employers of covered establishments. The prevailing rate of administrative charges is 1.10% on the wages on which contribution to provident fund is remitted. The rate of inspection charges (only for exempted establishments) is 0.18% at present. During the year under report Rs.2519.69 lakhs was realized towards administrative charges as against Rs. 2099.94 lakhs collected during the year 2010-11. Office wise collection during the last 3 years is shown in Table-6.

TABLE-6			
ADMINISTRATIVE CHARGES (in lakhs)			
OFFICE	2009-10	2010-11	2011-12
RO, MANGALORE	747.22	818.24	959.40
SRO, MYSORE	545.88	693.88	843.88
SRO, CHIKMAGALUR	150.28	164.07	191.59
SRO, SHIMOGA	157.71	202.64	256.52
SRO, UDUPI	156.09	221.09	268.30
TOTAL	1757.18	2099.94	2519.69

5.3 Rate of Interest to Members:

Under paragraph 60(1) of the Employees' Provident Fund Scheme, 1952 the Central Government in consultation with the Central Board of Trustees declares the rate of interest to be credited to the accounts of Provident Fund members annually. The fluctuations in the interest rate declared from the inception of the Scheme are as follows:-

RATE OF INTEREST ALLOWED TO MEMBERS OF PROVIDENT FUND			
YEAR	PERCENTAGE OF RATE OF INTEREST DECLARED	YEAR	PERCENTAGE OF RATE OF INTEREST DECLARED
1952-53	3	1983-84	9.15
1953-54	3	1984-85	9.9
1954-55	3	1985-86	10.15
1955-56	3.5	1986-87	11
1956-57	3.5	1987-88	11.5
1957-58	3.75	1988-89	11.8
1958-59	3.75	1989-90	12
1959-60	3.75	1990-91	12
1960-61	3.75	1991-92	12
1961-62	3.75	1992-93	12
1962-63	3.75	1993-94	12
1963-64	4	1994-95	12
1964-65	4.25	1995-96	12
1965-66	4.5	1996-97	12
1966-67	4.75	1997-98	12
1967-68	5	1998-99	12
1968-69	5.25	1999-00	12
1969-70	5.5	2000-01	11.5
1970-71	5.7	2001-02	9.5
1971-72	5.8	2002-03	9.5
1972-73	6	2003-04	9.5
1973-74	6	2004-05	9.5
1974-75	6.5	2005-06	8.5
1975-76	7	2006-07	8.5
1976-77	7.5	2007-08	8.5
1977-78	8	2008-09	8.5
1978-79	8.25+ 0.5% Bonus *	2009-10	8.5
1979-80	8.25	2010-11	9.5
1980-81	8.25	2011-12	8.25
1981-82	8.5		
1982-83	8.75		

* For those who did not withdraw any amount from 93-94 onwards interest is calculated on monthly running balance.

5.4 Arrear Demand – Un-exempted Sector:

At the end of the financial year 2011-12, there was an outstanding arrear demand of Rs.1297.40 lakhs towards P.F. contribution, Rs.398.34 lakhs towards Penal Damages, & Rs.121.63 lakhs towards interest levied under Section 7Q of the Act. Office wise figures are given in Table-7, 8 & 9.

TABLE-7							
ARREAR DEMAND (CONTRIBUTION)							
(Amount in lakhs)							
OFFICE	WORK LOAD		REALISED		CLOSING BALANCE		
	CASES	AMOUNT	CASES	AMOUNT	REALISABLE	NIR	TOTAL
R.O.,MANGALORE	54	349.03	15	26.37	5.57	317.09	322.66
SRO, MYSORE	182	689.35	78	32.15	20.14	637.06	657.20
SRO,CHIKMAGALUR	63	128.55	11	19.63	32.34	76.58	108.92
SRO,SHIMOGA	63	196.86	10	48.69	24.57	123.60	148.17
SRO, UDUPI	19	78.85	6	18.40	0.33	60.12	60.45
TOTAL	381	1442.64	120	145.24	82.95	1214.45	1297.40

TABLE-8							
ARREAR DEMAND (PENAL DAMAGES)							
(Amount in lakhs)							
OFFICE	WORKLOAD		REALISED		PENDING		
	CASES	AMOUNT	CASES	AMOUNT	REALISABLE	NIR	TOTAL
RO MANGALORE	135	69.60	54	14.40	20.93	34.27	55.20
SRO MYSORE	245	194.43	81	44.68	79.38	70.37	149.75
SRO CHICKMAGALUR	28	13.18	5	11.70	1.48	0	1.48
SRO SHIVAMOGGA	37	116.65	8	21.98	19.55	75.12	94.67
SRO UDUPI	41	102.54	18	5.30	5.83	91.41	97.24
TOTAL	486	496.40	166	98.06	127.17	271.17	398.34

TABLE-9							
ARREAR DEMAND (SECTION 7Q INTEREST)							
(Amount in lakhs)							
OFFICE	DUE FOR RECOVERY		RECOVERED		CLOSING BALANCE		
	CASES	AMOUNT	CASES	AMOUNT	REALISABLE	NIR	TOTAL
RO MANGALORE	84	11.43	45	5.12	5.67	0.64	6.31
SRO MYSORE	356	98.79	160	11.51	37.93	49.35	87.28
SRO CHICKMAGALUR	22	1.45	2	1.07	0.38	0	0.38
SRO SHIVAMOGGA	19	12.17	1	2.37	1.76	8.04	9.80
SRO UDUPI	31	17.88	13	0.02	1.40	16.46	17.86
TOTAL	512	141.72	221	20.09	47.14	74.49	121.63

Out of the total arrears, Rs.1560.11 lakhs are remaining in Not Immediately Realizable category due to pending litigation, stay orders by courts, Tribunals, Liquidation proceedings, BIFR cases etc. Table 10 below gives the work load, amount realized and amount pending under the three categories.

TABLE-10							
ARREAR DEMAND/REALISED/PENDING POSITION							
(Amount in lakhs)							
CATEGORY	WORK LOAD		REALISED		PENDING		
	NO. OF CASES	AMOUNT	CASES	AMOUNT	REALISABLE	NIR	TOTAL
PROVIDENT FUND	381	1442.64	120	145.24	82.95	1214.45	1297.40
PENDAL DAMAGES	486	496.40	166	98.06	127.17	271.17	398.34
7Q INTEREST	512	141.72	221	20.09	47.14	74.49	121.63
TOTAL	1379	2080.76	507	263.39	257.26	1560.11	1817.37

5.5 Major Defaulters:

There were 31 establishments in default of more than 10 lakhs as on 31.3.2012. A list of Major defaulters - office wise is shown in Annexure 1. Coercive action is being taken against all major defaulting establishments for realization of outstanding dues.

5.6 Bifurcation of Arrears

Bifurcation of Arrears with reference to Public and Private Sector is given in Table-11

TABLE-11		
SECTOR-WISE ARREARS		
(Amount in lakhs)		
Sector	Arrears 2010-11	Arrears 2011-12
Central Public Sector Undertakings	20.81	20.81
State Public Sector Undertakings	275.60	275.60
Local Bodies	0	
Private Sector	1793.68	1875.63
Cooperative Sector	5.79	16.00
Total	2095.88	2188.04

5.7 Action taken to recover the Arrears

The Following actions were taken by the offices in the Region for recovery of dues against the defaulting establishment.

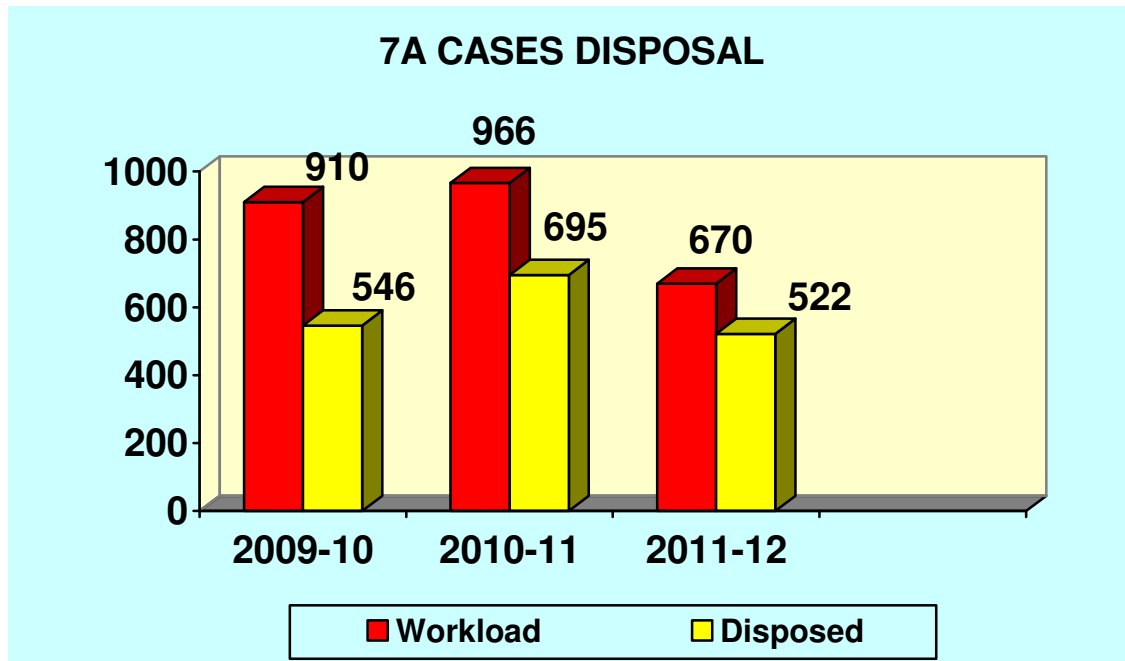
- a) Initiated inquiry under Section 7A of the Act
- b) Recovery actions initiated u/s 8B to 8G of the Act.
- c) Damages levied under Section 14B of the Act in cases of belated remittances.
- d) FIR filed under Section 405/406 of the IPC.
- e) Interest payable under Section 7Q initiated to establishments made belated remittances.

a) Initiated inquiry under Section 7A of the Act: List of defaulters detected through the computer system was used as source of information for initiating

action under Section 7A by the Assessing Officers. The status of initiation and disposal of assessment cases under Section 7A office wise is given in Table-12.

TABLE-12			
ENFORCEMENT ACTIONS			
7A Cases disposed / finalised			
OFFICE	CASES INITIATED	CASES DECIDED	CASES PENDING
RO MANGALORE	195	140	55
SRO MYSORE	215	159	56
SRO CHIKMAGALUR	110	89	21
SRO SHIVAMOGGA	101	95	6
SRO UDUPI	49	39	10
TOTAL	670	522	148

DIAGRAM 4



The amount assessed, amount collected and the balance with bifurcation under realizable and Not Immediately Realizable (NIR) category are given in Table 13:

TABLE-13			
RECOVERY OF CURRENT DEMAND			
		(Amount in lakhs)	
		2010-11	2011-12
Unexempted	Workload	1626.63	1222.41
	Collected	1407.93	851.74
	Balance	218.70	370.67
Exempted	Workload	158.30	0
	Collected	2.24	0
	Balance	156.06	0
Total	Workload	1784.93	1222.41
	Collected	1410.17	851.74
	Balance	374.76	370.67
NIR		53.89	132.89
Realisable		320.87	237.78

Office wise demand raised, amount recovered and balance in respect of Current Demand - P.F. Contributions are shown in Table-14.

TABLE-14							
CURRENT DEMAND: PF CONTRIBUTIONS							
(Amount in lakhs)							
OFFICE	DEMAND RAISED		AMOUNT RECOVERED		BALANCE		
	NO. OF ESTTS.	AMOUNT	NO. OF ESTTS	AMOUNT	REALISABLE	NIR	TOTAL
RO, MANGALORE	128	121.60	104	107.63	13.97	0	13.97
SRO, MYSORE	159	331.07	117	267.83	57.98	5.26	63.24
SRO, CHICKMAGALUR	85	145.62	70	101.89	12.98	30.75	43.73
SRO, SHIMOGA	81	248.80	73	209.73	29.43	9.64	39.07
SRO, UDUPI	33	126.13	25	69.93	56.20	0	56.20
TOTAL	486	973.22	389	757.01	170.56	45.65	216.21

b) Recovery Actions initiated under Section 8B to 8G of the Act: During the year 2011-12, 1386 Revenue Recovery Certificates covering an amount of Rs.2309.59 lakhs were due for collection. A sum of Rs.265.59 lakhs was collected during the year. 877 Recovery Certificates with a total of Rs.2044 lakhs are pending for realization. A sum of Rs.1786.74 lakhs falls under Not Immediately Realizable (NIR) category and Rs.257.26 lakhs under Realisable category. The arrears pending Unexempted and Exempted sector wise is shown in Tables 15 & 16.

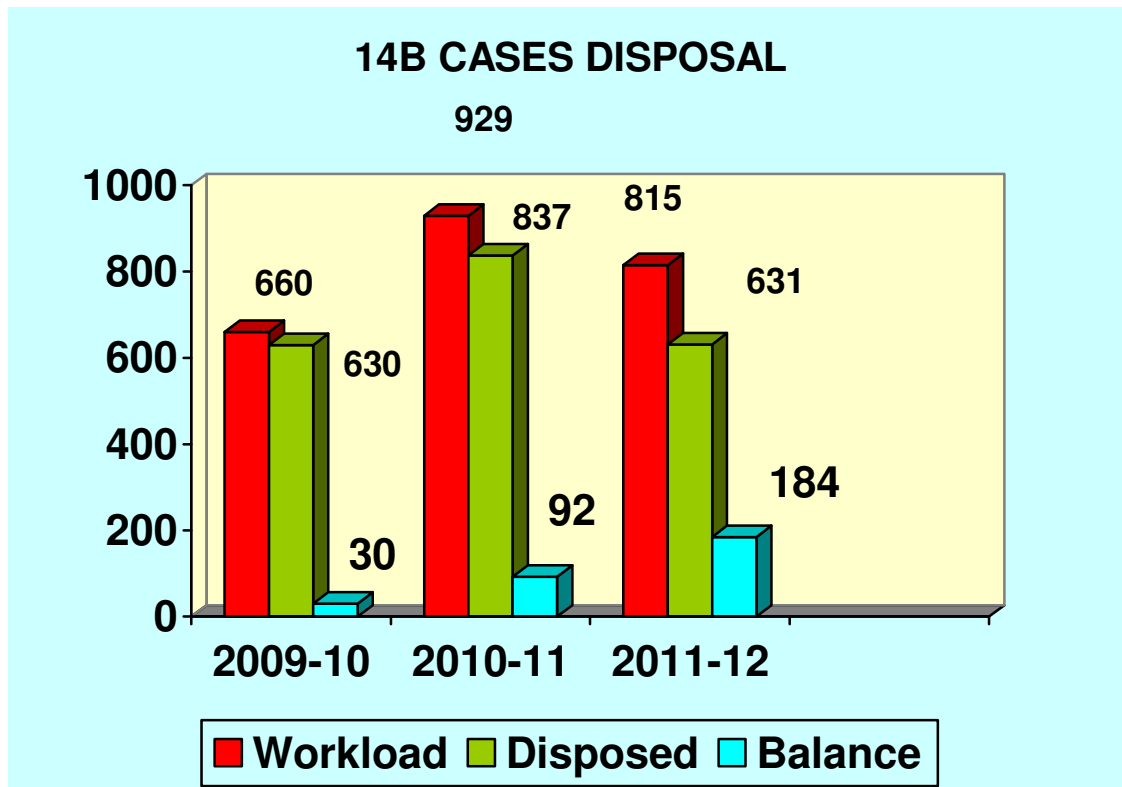
TABLE-15			
Recovery of Arrear Demand			
(Amount in lakhs)			
		2010-11	2011-12
Exempted	Workload	231.07	228.83
	Collected	2.24	2.20
	Balance	228.83	226.63
Unexempted	Workload	2190.71	2080.76
	Collected	313.53	263.39
	Balance	1877.18	1817.37
Total	Workload	2421.78	2309.59
	Collected	315.77	265.59
	Balance	2106.01	2044.00
NIR		1831.27	1786.74
Realisable		274.74	257.26

TABLE – 16						
RECOVERY OF ARREAR DEMAND (Revenue Recovery Certificates)						
OFFICE	Opening Balance		Recovered		Closing Balance	
	Cases	Amount	Cases	Amount	Cases	Amount
RO., MANGALORE	273	430.06	114	45.89	159	384.17
SRO, MYSORE	783	982.57	319	88.34	464	894.23
SRO, CHIKMAGALUR	113	143.18	18	32.40	95	110.78
SRO,SHIMOGA	119	325.68	19	73.04	100	252.64
SRO, UDUPI	91	199.27	37	23.72	54	175.55
TOTAL	1379	2080.76	507	263.39	872	1817.37
EXEMPTED	7	228.83	2	2.20	5	226.63
GRAND TOTAL	1386	2309.59	509	265.59	877	2044.00

c) Damages levied under Section 14B of the Act in cases of belated remittances: 815 cases were newly initiated during the year and 631 cases were disposed. Office wise figures of cases initiated, cases decided and cases pending are given below in Table-17.

TABLE-17			
ENFORCEMENT ACTIONS			
14B Cases disposed / finalized			
OFFICE	CASES INITIATED	CASES DECIDED	CASES PENDING
RO MANGALORE	412	360	52
SRO MYSORE	208	147	61
SRO CHIKMAGALUR	9	1	8
SRO SHIVAMOGGA	63	52	11
SRO UDUPI	123	71	52
TOTAL	815	631	184

DIAGRAM – 5



The Demand raised towards penal damages during the year, amount realised and amount pending for realization- office wise are given in Table-18.

TABLE-18							
CURRENT DEMAND: PENAL DAMAGES							
(Amount in lakhs)							
OFFICE	ASSESSED		REALISED		PENDING		
	CASES	AMOUNT	CASES	AMOUNT	REALISABLE	NIR	TOTAL
RO., MANGALORE	412	63.71	360	23.83	6	33.88	39.88
SRO, MYSORE	208	27.74	147	9.93	17.81	0	17.81
SRO, CHICKMAGALUR	9	22.18	1	9.57	12.61	0	12.61
SRO, SHIMOGA	63	46.70	52	10.29	4.59	31.82	36.41
SRO,UDUPI	123	3.97	71	3.57	0.40	0	0.40
TOTAL	815	164.30	631	57.19	41.41	65.70	107.11

NIR* Not Immediately Realisable

d) Prosecution Action under Section 14 of the Act: 6 (EPF) Prosecution cases were filed against the defaulters during the year.

e) FIRs filed under Section 405/406 of the IPC: 6 FIRs were filed under Section 405/406 of IPC during 2011-12 against the defaulters who failed to remit the employees' share of contribution recovered from their wages.

f) Action taken under Section 7Q of the Act: 641 cases were finalized during the year raising the demand for Rs.37.54 lakhs against the defaulting establishment under section 7Q of the Act. The office wise figures of cases, amount raised, amount realized and amount pending-realizable and not immediately realizable category wise is given in Table-19.

TABLE-19							
CURRENT DEMAND – Sec. 7Q							
(Rs. In lakhs)							
OFFICE	DEMAND RAISED		DEMAND REALISED		CLOSING BALANCE		
	CASES	AMOUNT	CASES	AMOUNT	REALISABLE	NIR	TOTAL
RO., MANGALORE	410	32.12	360	13.10	2.83	16.19	19.02
SRO, MYSORE	208	15.83	147	4.35	11.48	0	11.48
SRO,CHIKMAGALUR	8	13.30	2	5.61	7.69	0	7.69
SRO,SHIMOGA	69	21.45	59	12.50	3.60	5.35	8.95
SRO, UDUPI	123	2.19	73	1.98	0.21	0	0.21
TOTAL	818	84.89	641	37.54	25.81	21.54	47.35

5.8 Service to the Members:

Settlement of Claims: During the year under report 181050 claims were settled. 70.14% of all the claims were settled within 30 days of its receipt in the office. Table-20 given below gives comparative figures of the claims returned, received, rejected, settled, and pending for the year 2010-11 and 2011-12. At the close of the year, 8808 claims were pending for disposal constituting 3.81% of the net work load.

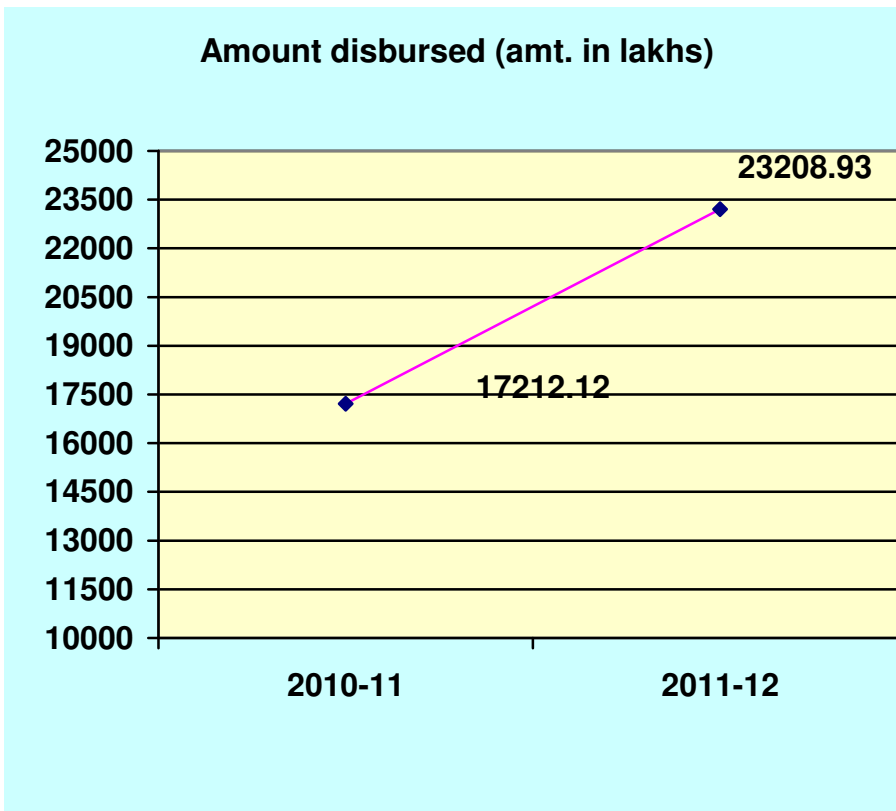
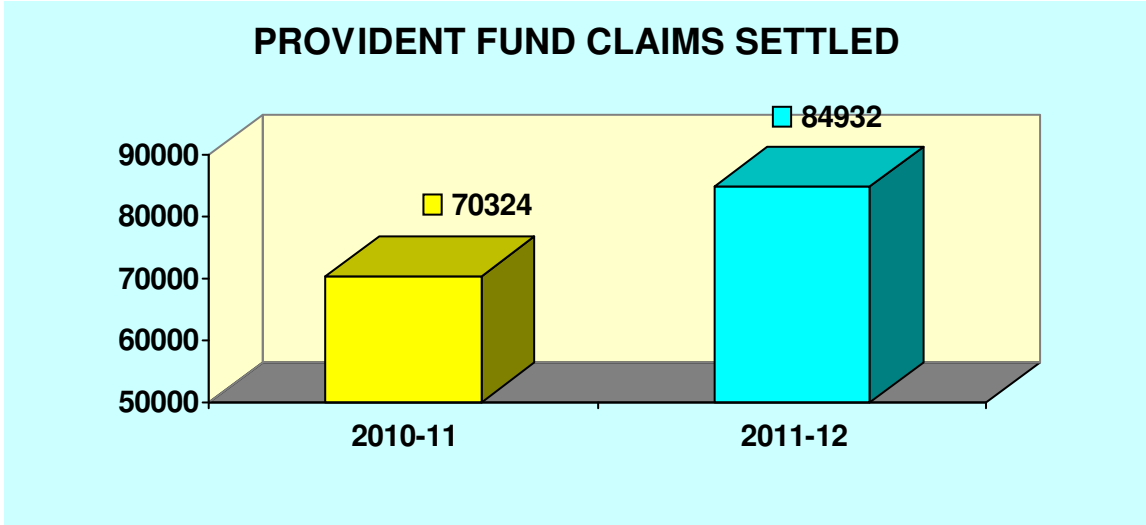
TABLE-20			
SERVICE TO SUBSCRIBERS			
SETTLEMENT OF CLAIMS			
		2010-11	2011-12
1	Total workload	205055	231115
2	Returned	14290	86
3	Rejected	20350	41171
4	Net workload	170415	189858
5	Claims settled within 30 days	105866	126988
6	Claims settled beyond 30 days	40637	54062
7	Total claims settled	160756	181050
8	% of claims settled within 30 days w.r.t. settled cases	62.12%	70.14%
9	Claims pending	9659	8808
10	% pendency (w.r.t. Net Work Load)	5.67%	3.81%

5.9 Category wise claims settled

Category wise claims received, admitted for payments, closing balance as on 31.03.2012 is shown in Table-21

TABLE-21									
CATEGORY WISE CLAIMS STATUS – 2011-12									
Type of claims	Total claims received	Returned	Rejected	Settled within 30 days	%	Settled beyond 30 days	%	Total claims settled	Closing Balance as on 31.03.12
F-19	99310	1	11791	60738	72.51%	23030	27.49%	83768	3750
F-20	2046	0	807	873	75%	291	25	1164	75
F-5IF	1439	1	686	523	74.18%	182	25.82%	705	47
F-31	6438	1	1369	2717	56.58%	2085	43.42%	4802	266
F-13	19102	2	5221	11146	83.89%	2140	16.11%	13286	593
F-10D	17757	25	5579	4437	39.94%	6673	60.06%	11110	1043
F-10C	85023	56	15718	46554	70.31%	19661	29.69	66215	3034
Total	231115	86	41171	126988	70.14%	54062	29.86%	181050	8808

DIAGRAM 6



5.10 Office wise claims settled

Office wise settlement of claims under various categories viz. final settlement, settlement of death claims, withdrawal benefits, monthly pension cases, partial withdrawals, EDLI claims are shown in Tables 22, 23, 24, 25, 26 and 27 below.

TABLE-22									
SETTLEMENT OF PROVIDENT FUND CLAIMS - F.19									
DURING THE YEAR 2011-12									
Name of the office	Claims received	Returned	Rejected	Settled within 30 days	%	Settled beyond 30 days	%	Total claims settled	C.B. as on 31.03.12
RO,MANGALORE	39102	0	3135	33497	93.78	2222	6.22	35719	248
SRO, MYSORE	34443	1	5639	9473	37%	16136	63%	25609	3194
SRO,CHIKMAGALUR	5826	0	1067	3822	83.74%	742	16.26%	4564	195
SRO, SHIMOGA	7179	0	935	3112	50.37%	3066	49.63%	6178	66
SRO, UDUPI	12760	0	1015	10834	92.61%	864	7.39%	11698	47
TOTAL	99310	1	11791	60738	72.51%	23030	27.49%	83768	3750

TABLE - 23**SETTLEMENT OF PROVIDENT FUND CLAIMS – F.20 DURING THE YEAR 2011-12**

Name of the Office	Total Claims	Returned	Rejected	Settled within 30 days	%	Settled beyond 30 days	%	Total claims settled	C.B. as on 31.03.12
RO, MANGALORE	832	0	299	520	97.56%	13	2.44%	533	0
SRO, MYSORE	580	0	267	74	27.61%	194	72.39	268	45
SRO, CHIKMAGALUR	231	0	76	118	92.19%	10	7.81%	128	27
SRO, SHIMOGA	187	0	67	50	42.74%	67	57.26%	117	3
SRO, UDUPI	216	0	98	111	94.07%	7	5.93%	118	0
TOTAL	2046	0	807	873	75%	291	25%	1164	75

TABLE-24**SETTLEMENT OF PARTIAL WITHDRAWAL CASES - FORM.31 DURING THE YEAR 2011-12**

Name of the office	Claims received	Returned	Rejected	Settled within 30 days	%	Settled beyond 30 days	%	Total claims settled	C.B. as on 31.03.12
RO, MANGALORE	1010	0	198	747	93.03%	56	6.97%	803	9
SRO, MYSORE	3788	1	693	1253	43.67%	1616	56.33%	2869	225
SRO, CHIKMAGALUR	563	0	187	243	68.45%	112	31.55%	355	21
SRO, SHIMOGA	727		226	212	43.18%	279	56.82%	491	10
SRO,UDUPI	350	0	65	262	92.25%	22	7.75%	284	1
TOTAL	6438	1	1369	2717	56.58%	2085	43.42%	4802	266

DIAGRAM 7

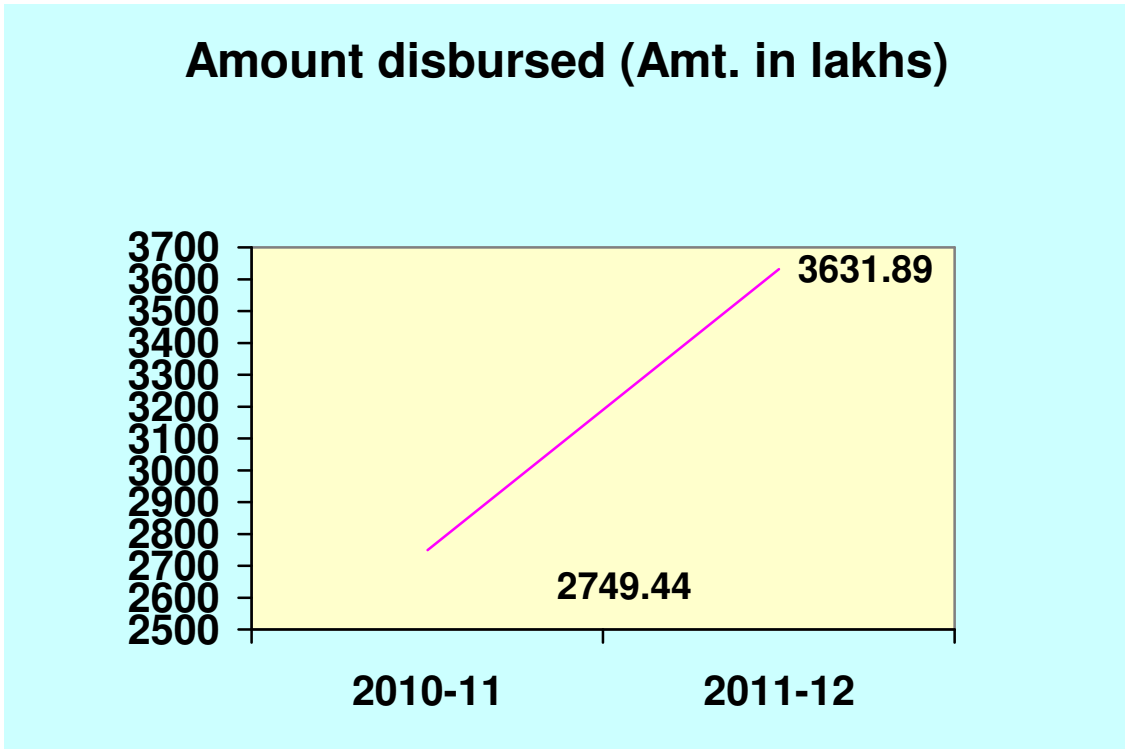
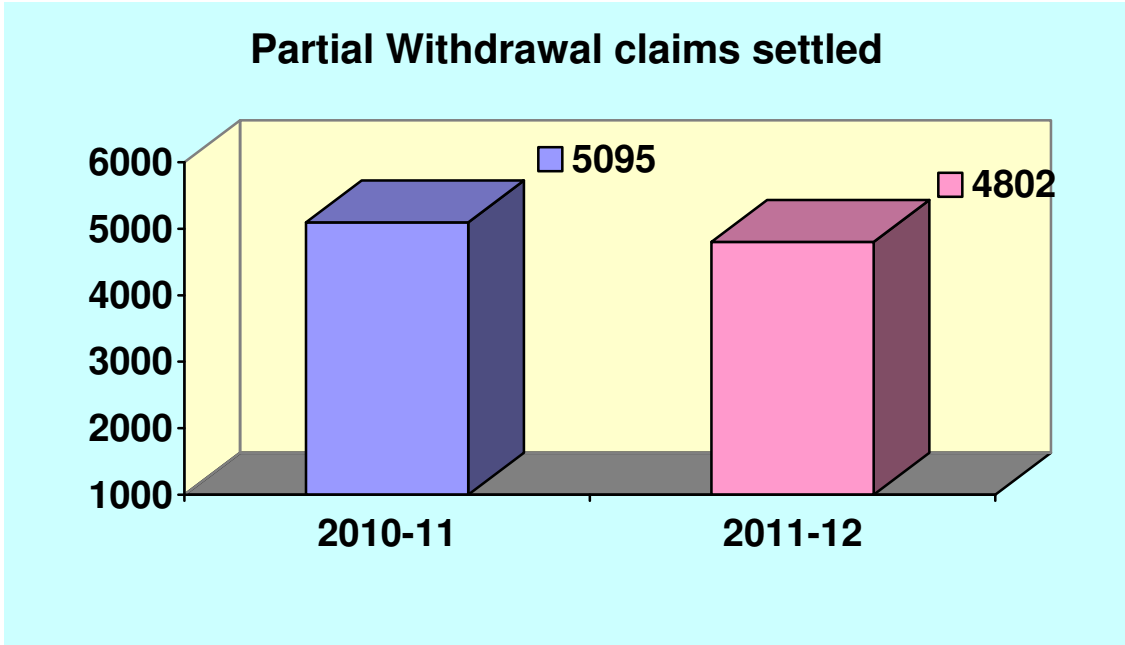


TABLE-25									
SETTLEMENT OF PENSION CLAIMS - FORM.10D & 10 A									
DURING THE YEAR 2011-12									
Name of the office	Claims recd.	Returned	Reject	Settled within 30days	%	Settled beyond 30days	%	Total claims settled	Closing Balance as on 31.03.12
RO, MANGALORE	7922	22	1760	3502	57.89%	2547	42.11%	6049	91
SRO, MYSORE	4696	1	1889	127	6.47%	1837	93.53%	1964	842
SRO, CHIKMAGALUR	1529	0	632	261	32.50%	542	67.50%	803	94
SRO, SHIMOGA	2197	1	838	129	9.60%	1215	90.40%	1344	14
SRO,UDUPI	1413	1	460	418	44%	532	56%	950	2
TOTAL	17757	25	5579	4437	39.94%	6673	60.06%	11110	1043

TABLE-26									
SETTLEMENT OF WITHDRAWAL BENEFIT/SCHEME CERTIFICATES FORM 10 C/ 10B									
DURING THE YEAR 2011-12									
Name of the office	Claims received	Returned	Rejected	Settled within 30 days	%	Settled beyond 30 days	%	Total claims settled	C.B. as on 31.03.12
RO, MANGALORE	36602	0	5292	25734	83.14%	5217	16.86%	30951	359
SRO, MYSORE	23599	56	5999	4855	31.94%	10346	68.06%	15201	2343
SRO, CHIKMAGALUR	5381	0	1318	3103	80.60%	747	19.40%	3850	213
SRO, SHIMOGA	6461	0	1342	2436	45.30%	2607	51.70%	5043	76
SRO, UDUPI	12980	0	1767	10426	93.34%	744	6.66%	11170	43
TOTAL	85023	56	15718	46554	70.31%	19661	29.69%	66215	3034

TABLE-27									
SETTLEMENT OF EDLI CLAIMS – FORM 5IF DURING THE YEAR 2011-12									
Name of the office	Claims received	Returned	Rejected	Settled within 30 days	%	Settled beyond 30 days	%	Total claims settled	C.B. as on 31.03.12
RO, MANGALORE	603	0	244	332	92.74%	26	7.26%	358	1
SRO, MYSORE	355	0	206	21	19.44%	87	80.56%	108	41
SRO, CHIKMAGALUR	159	0	76	72	88.89%	9	11.11%	81	2
SRO, SHIMOGA	129	1	61	16	25%	48	75%	64	3
SRO, UDUPI	193	0	99	82	87.23%	12	12.77%	94	0
TOTAL	1439	1	686	523	74.18%	182	25.82%	705	47

5.11 Issue of Annual Statement of Accounts:

During the year under report 23.30 lakhs Annual Slips were issued to the members. Office wise figures of work load, statement of accounts issued and pending at the close of the year are shown in Table-28.

DIAGRAM - 8

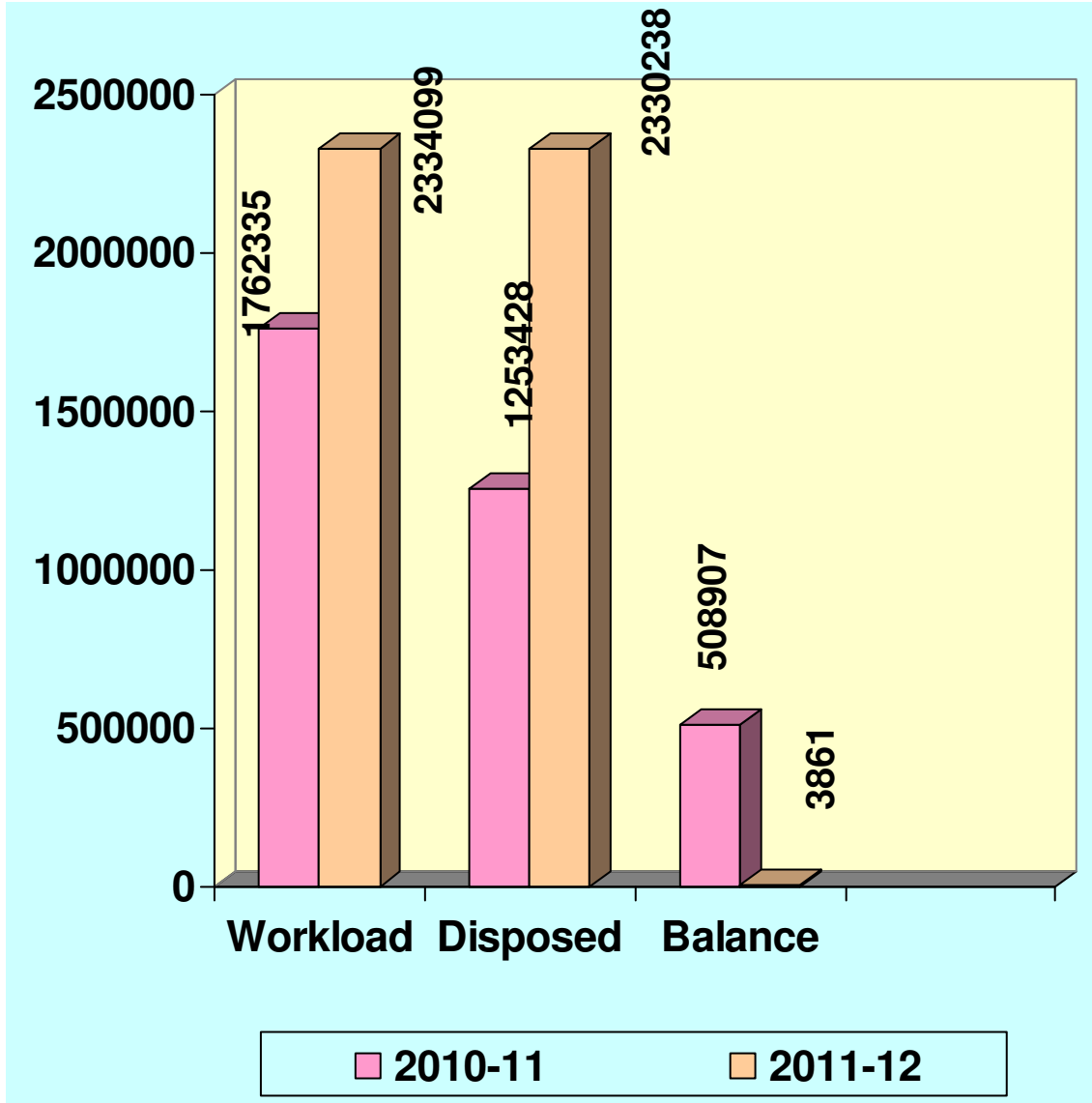


TABLE-28					
SERVICE AREA					
ANNUAL ACCOUNTS PRIOR TO CURRENT YEAR(PCY) / CURRENT YEAR (CY)- 2011-12					
	Year	Workload as on 01.04.11	Progress	Balance	Pending %
RO, MANGALORE	PCY	367060	367060	0	0
	CY	822350	822350	0	0
SRO,MYSORE	PCY	173408	173406	2	0.001%
	CY	422929	419222	3707	0.88%
SRO,CHIKMAGALUR	PCY	117773	117773	0	0
	CY	119924	119924	0	0
SRO,SHIMOGA	PCY	9119	9119	0	0
	CY	98829	98829	0	0
SRO,UDUPI	PCY	8773	8697	76	0.87%
	CY	193934	193858	76	0.04%
TOTAL	PCY	676133	676055	78	0.01%
	CY	1657966	1654183	3783	0.23%

CHAPTER - 6

EXEMPTED ESTABLISHMENTS

On the applicability of the Act to an establishment, the provisions of the Employees' Provident Fund Scheme, Employees' Pension Scheme and Employees' Deposit Linked Insurance Scheme become applicable to it and the employers are required to comply with the statutory provisions of the Schemes. However, such of those establishments, which have their own approved Provident Fund Scheme, conferring benefits to their employees equal to or more than those provided under the statutory Scheme may seek exemption under Section 17 of the Act from the provisions of the statutory scheme, if their employees are in favour of such exemption. Like wise, individual employees or class of employees who contribute to the employer's private Provident Fund Scheme may also seek exemption under Paragraph 27 and 27A of the Statutory Scheme to continue to be members under their Provident Fund Scheme.

The grant of such exemption is to enable the employees to continue to enjoy the better benefits available to them under the private Provident Fund Scheme. Such exemption does not amount to total exclusion from the provisions of the Act and the exempted establishments continue to be covered under the Act, the only distinction being that a Board of Trustees properly constituted according to rules in the Exempted establishment administer the exempted Provident Fund subject to the terms and conditions under which exemption is granted and subject to such supervision and control as laid down by the Government.

The Board of Trust is required to invest the surplus fund as per the investment pattern prescribed by Govt. of India from time to time.

The pattern of investment prescribed by the Government of India with effect from 20th July, 2003 is reproduced below.

	INVESTMENT PATTERN	% of amount to be invested (w.e.f.9.7.03)
i)	Central Government Securities as defined in Section 2 of the Public Debt Act, 1944 (18 of 1944); and/or units of such Mutual Funds which have been set up as dedicated Funds for investment in Government securities and which have been approved by the Securities and Exchange Board of India	25%
ii)	(a) Government Securities as defined in Section 2 of the Public Debt Act, 1944 (18 of 1944) created and issued by any State Government; and /or units of such Mutual Funds which have been set up as dedicated Funds for investment in Govt. securities and which have been approved by the Securities and Exchange Board of India; and / or	15%
	(b) Any other Negotiable securities, the principal whereof and interest whereon is fully and unconditionally guaranteed by the Central Government or any State Government except those covered under (iii) (a) below	
iii)	(a) Bonds/Securities of 'Public Financial Institutions' as specified under section 4(1) of the Companies Act; "Public Sector Companies" as defined in Sec.2(36-A) of the Income Tax Act, 1961 including Public Sector Banks, and / or	30%
	(b) Short duration (less than a year) Term Deposit Receipt (TDR) issued by public sector banks.	
iv)	To be invested in any of the above three categories as decided by their Trustees	30%
v)	The Trusts, subject to their assessment of risk -return prospects, may invest upto 1/3 rd of (iv) above, in private sector bonds/securities, which have an investment grade rating from at least two credit rating agencies.	

Where any money is received on the maturity of earlier investment under category (i), (ii) and (iv) above such moneys, reduced by obligatory outgoing, shall be invested in accordance with the new investment pattern prescribed. Where moneys are received on maturity of deposits under the Special Deposit Scheme and interest thereon, such moneys can be invested under the Special Deposit Scheme.

Exemption granted to an establishment is liable to be cancelled for contravention of any of the conditions governing exemption and on such cancellation; the establishment will be required to comply with statutory scheme. Though the functioning of exempted establishments is the responsibility of the Board of Trustees in each establishment, the Organisation exercises its control over such establishments through periodic inspections / reports for ensuring proper compliance of conditions of exemption.

Information regarding the exempted establishments in Mangalore Region is as under.

TABLE-29		
INFORMATION REGARDING EXEMPTED ESTABLISHMENTS		
1.	No. of establishments	33
2.	No. of Subscribers	39851
3.	No. of PF members	39851
4	INVESTMENTS MADE BY EXEMPTED ESTABLISHMENTS DURING THE YEAR 2011-12 (Cumulative) (IN LAKHS)	
a)	Special Deposit Accounts	3982.90
b)	Govt. Guaranteed securities	13039.08
c)	State Govt. securities	6459.92
d)	Others	24454.63
e)	Gross Total Investment	47936.53
f)	Less: Redemption proceeds	1281.06
g)	Total Net Investment	46655.47

5. PROVIDENT FUND & OTHER ARREARS

PUBLIC SECTOR		PRIVATE SECTOR	
NO. OF ESTT.	AMOUNT	NO. OF ESTT.	AMOUNT
2	196.79	1	29.84

6. DEMAND RAISED/REALISED/PENDING FOR REALISATION ARE AS UNDER:

a) CURRENT DEMAND

(Amt. in lakhs)

	DEMAND ASSESSED		AMOUNT REALISED		CLOSING BALANCE		
	CASES	AMOUNT	CASES	AMOUNT	REALISABLE	NIR	TOTAL
PF	0	0	0	0	0	0	0
PD	0	0	0	0	0	0	0
7Q	0	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0	0

b) ARREAR DEMAND

(Amt. in lakhs)

	DEMAND ASSESSED		AMOUNT REALISED		CLOSING BALANCE		
	CASES	AMOUNT	CASES	AMOUNT	REALISABLE	NIR	TOTAL
PF	2	29.85	0	0	0	29.85	29.85
PD	3	160.07	1	1.65	0	158.42	158.42
7Q	2	38.91	1	0.55	0	38.36	38.36
TOTAL	7	228.83	2	2.20	0	226.63	226.63

7. STATUS OF ARREARS (NOT IMMEDIATELY REALISABLE)

STATUS	NO. OF CASES	AMOUNT INVOLVED (Rs. In Lakhs)	% of Total
STAY BY COURTS	0	0	0
UNDER LIQUIDATION	0	0	0
OTHERS	1	226.64	
TOTAL	1	226.64	

8. UNINVESTED FUNDS AS ON 31.03.12		
a.	No. of establishments	4
b.	Amount	816.79

9.	Rate of interest allowed to members	Estt.	Members
A	Higher than statutory rate	1	12532
B	Equal to statutory rate	32	27319

10. Provident Fund Claims settled (Exempted)			
		No. of cases	Amount (in lakhs)
i)	Resignation / Termination	751	983.81
ii)	Superannuation	542	5268.05
iii)	Retrenchment	0	0
iv)	Death Cases	75	291.92
v)	Dismissal	2	0.99
vi)	Migration	67	111.09
vii)	Permanent Invalidation	0	0
viii)	Others	43	103.69
	TOTAL	1480	6759.55

11. Advances/Partial withdrawals sanctioned (exempted)			
		No. of cases	Amount in lakhs
i)	Illness of members / Family members	2682	950.59
ii)	Housing Advances	885	2065.50
iii)	Marriage	279	242.14
iv)	Withdrawal one year before retirement	74	354.25
v)	During temporary closure	0	0
vi)	Financing of LIC Policy	9	0.61
vii)	Others	1671	1560.90
	TOTAL	5600	5173.99

12. Number of establishments granted exemption from EDLI Scheme during 2011-12	
Opening Balance	329
Exemption Granted during the year	7
Closing Balance	336

CHAPTER - 7

EMPLOYEES' PENSION SCHEME 1995

Employees' Pension Scheme, 1995 was introduced with effect from 16.11.1995. After the introduction of the new Pension scheme, the erstwhile Family Pension Scheme, 1971 ceased to operate and all the assets and liabilities stood transferred and merged with the Pension Fund. The Employees' Pension Scheme, 1995 has been conceived as a “**Defined Benefit Social Security Scheme**” formulated following “**actuarial principles**” for ensuring long term financial viability. The Scheme aims at providing for economic sustenance during old age and survivorship coverage to the member and his family. The Scheme derives its financial resource by partial diversion from the Provident Fund contribution at the rate of 8.33% from the employer's share of contribution. The Central Government continues contributing at the rate of 1.16% of the pay of the members of the EPS Scheme and credit the contribution to the Employees' Pension Fund. The benefits and entitlements to the members under the (old) Employees' Family Pension Scheme, 1971 shall remain protected and continued under the new Employees' Pension Scheme, 1995.

The Scheme on its introduction applies on compulsory basis to all the existing members under the Employees' Family Pension Scheme 1971 and all the new entrants acquiring membership after 15.11.1995.

7.1 Employees' Pension Scheme, 1995 provides the following benefit package:

(i) To the member:

Pension for life on superannuation/retirement and permanent total disablement;

(ii) To the members of the family upon the death of the member:

a. Pension to Widow/Widower for life or till re-marriage

b. To children two at a time up to 25 years of age simultaneously with widow / widower pension up to 25 years of age.

c. Children/orphan with total and permanent disability shall be entitled to payment of children pension or orphan pension as the case may be irrespective of age and number of children in the family.

d. Facility for payment of pension to nominee in the event of death of the member who is unmarried or without any eligible family member to receive pension, and

e. Facility for payment of pension to dependent father/mother in the event the member dies leaving behind no eligible family members and there is no nomination by the deceased member;

7.2 Eligibility:

Superannuation/retirement pension under the Employees' Pension Scheme will be payable on fulfilling-

a. Minimum 10 years eligible service; and

b. Attaining the age of 58 years.

On ceasing employment earlier than 58 years, pension may be availed of by a member at his option, before attaining the age of 58 years but not below 50 years. Such early pension will be subject to discounting factor at the rate of 4% for every year of shortfall from 58 years. No pension will be payable to any members before attaining the age of 50 years. However, no such age restriction or eligibility requirement shall apply for pension entitlement on disablement or pension payable to the family members on death of the member. Membership with one month contribution will entitle pension in such cases.

The Quantum of pension payable to a member on superannuation and/or exit from service on attaining the age of 58/50 year shall correspond to the period of pensionable service rendered by the member and his pensionable salary i.e., the last twelve month's average pay drawn by him at the time of exit.

Those retiring after 15.11.1995 shall have also the benefit of past service pension for the period of their membership under the erstwhile Employees' Family Pension Scheme, 1971 on factor formula basis provided for in Paragraph 12(3) in the Scheme subject to aggregate pension regulated by minimum pension amount provision.

7.3 Pension Disbursement Arrangements:

a. Nationalised Banks and Scheduled Commercial Banks: For ensuring disbursement of pension every month, arrangements have been made through nationalised banks and identified Schedule Commercial Banks to remit the pension by providing credit to pensioner's pension payment account every month by appointed date.

The following banks are identified as disbursing banks in Mangalore Region.

1. State Bank of India
2. Syndicate Bank
3. Corporation Bank
4. Canara Bank
5. Axis Bank
6. Vijaya Bank

The service charges are payable at 1.25% on monthly pension disbursed.

7.4 Administrative Setup:

Pension Division at various offices are provided with appropriate application software to support for monitoring, pension calculation, PPO generation, disbursement and reconciliation, Pension Fund Accounts maintenance and record up-keeping.

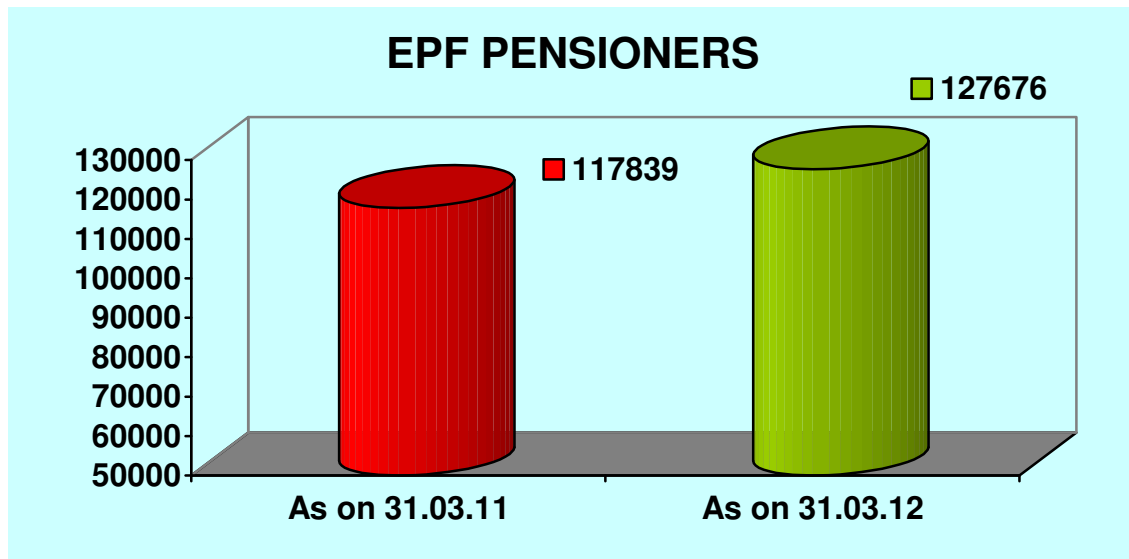
7.5 Members enrolled:

During the year 39851 members in the exempted establishments and 1615725 members in the un-exempted establishments have contributed to the Funds a sum of Rs.17538.16 lakhs.

7.6 Pension Beneficiaries:

9837 new pensioners were extended the benefits during the year 2011-12. The category wise details of the pensioners is given in Table-30

TABLE-30			
PENSION DATA			
	As on 31.03.2011	As on 31.03.2012	
Superannuation Pension	16283	19931	
REDUCED PENSION (50-58)	66817	72437	
Disabled Pension	85	87	
Death away from service	2068	2096	
Widow Pension	FPS '71	4136	4123
	EPS 1995	9687	10616
Children Pension	FPS '71	59	57
	EPS 1995	16720	16312
Orphan Pension	857	797	
Nominee Pension	655	673	
Parent Pension	472	547	
TOTAL	117839	127676	

DIAGRAM-9

7.7 The details of Pensions with classification of Monthly Pension amount & Pensioners category wise is shown in Table-31

TABLE-31	
DETAILS OF PENSIONS WITH CLASSIFICATION OF MONTHLY PENSION AS ON 31.03.2012	
REGION- MANGALORE	
1. Number of Member Pensioners (Early Pension, Superannuation Pension & Disablement Pension) drawing Monthly Pension	No. of PPO's
(a) upto 300	15115
(b) 301-400	17471
(c) 401-500	18238
(d) 501-1000	33009
(e) 1000 and above	8622
TOTAL	92455
2. Number of Spouse Pensioners & Nominee Pensioners drawing Monthly Pension	No. of PPO's
(a) 450-500	4092
(b) 501-1000	8579
(c) 1000 and above	4837
TOTAL	17508
3. Number of Children Pensioners drawing Monthly Pension	No. of PPO's
(a) upto 200	7478
(b) 201-300	2916
(c) 301-400	1603
(d) 401-500	2311
(e) 501 and above	2061
TOTAL	16369
4. Number of Orphan Pensioners drawing Monthly Pension	No. of PPO's
(a) 250-300	5
(b) 301-400	529
(c) 401-500	51
(d) 501- 1000	104
(e) 1000 and above	108
TOTAL	797
5. Number of Parent Pensioners	No. of PPO's
(a) 450 to 500	101
(b) 501 to1000	222
(c) 1000 & above	224
TOTAL	547
GRAND TOTAL	127676

DIAGRAM 10 CLASSIFICATION OF PENSIONERS AS ON 31.03.2011

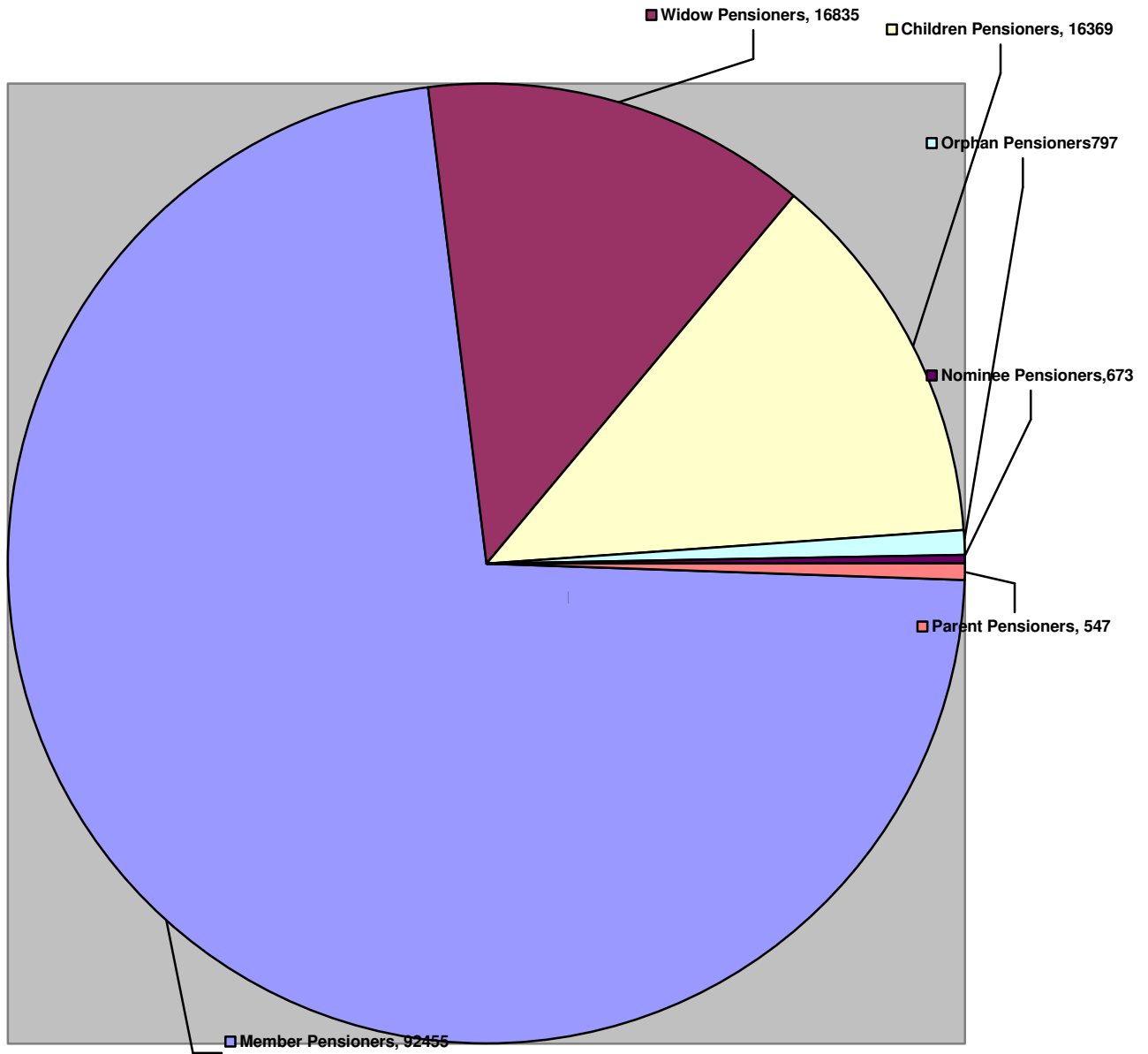
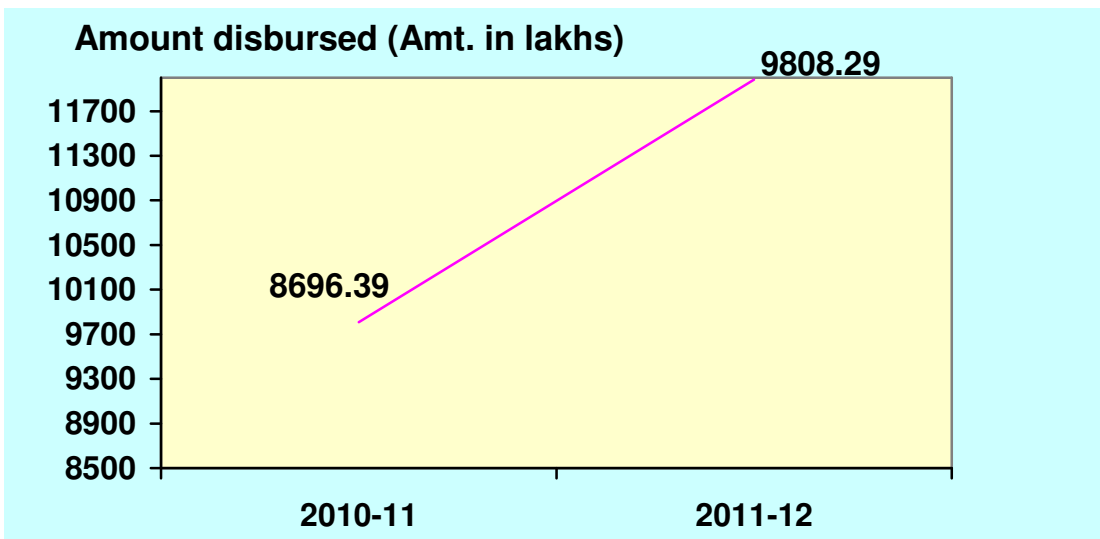
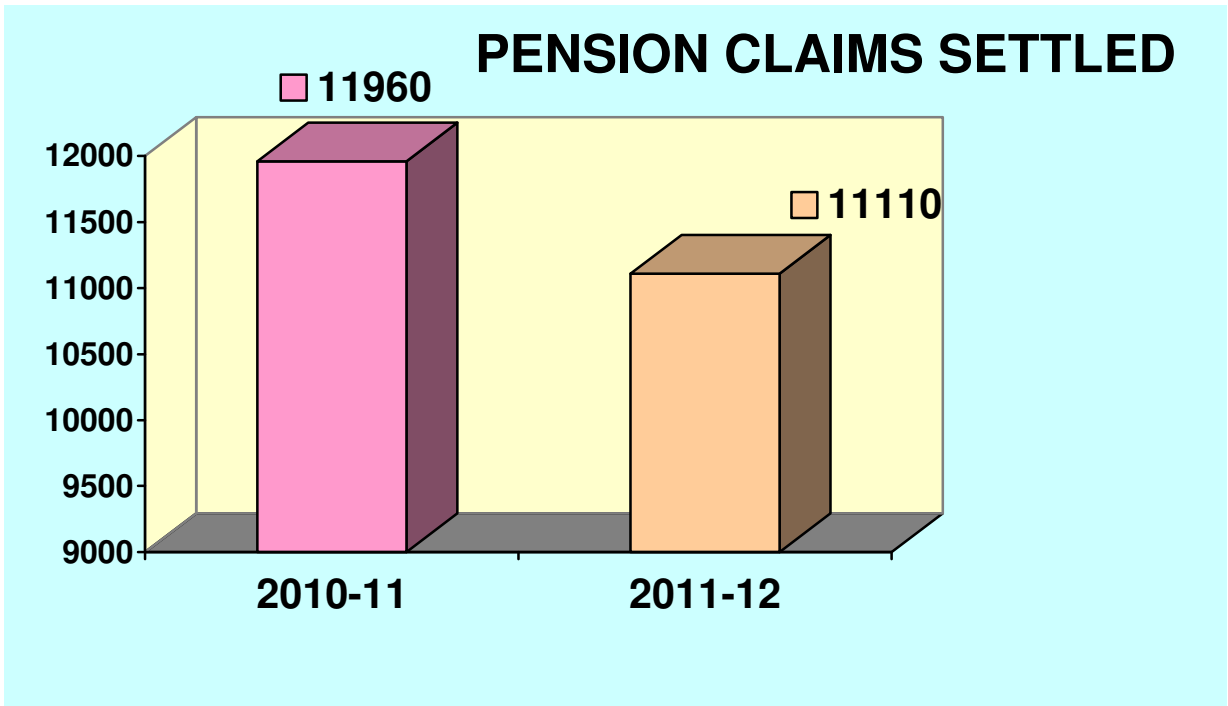


DIAGRAM-11



7.8 Withdrawal Benefits:

The Provident Fund members who leave service after 10 years of membership shall be eligible for Pension benefits on superannuation or earlier Pension benefits on attaining the age of 50 years. The Scheme Certificate is issued to such members who have contributed to the Employees' Pension Scheme for a period of 10 years but leave service before they become eligible for monthly pension. The Scheme certificate is also issued to members on request who does not put in the eligible service of 10 years. Members who have not completed 10 years of service on request are also sanctioned withdrawal benefits.

CHAPTER - 8

EMPLOYEES' DEPOSIT LINKED INSURANCE SCHEME, 1976

Employees' Deposit Linked Insurance Scheme, 1976 came into force from 1st August 1976. The Scheme is supported by a nominal contribution by the employers at the rate of 0.50% of wages. No contribution is payable by the employees for availing the Insurance cover. The beneficiary of the deceased member is entitled to payment up to Rs.1,30,000/- linked to the Provident Fund balance at credit of the deceased member.

8.1 Application and Coverage:

Employees' Deposit Linked Insurance Scheme, 1976 is applicable to all the Factories, Establishments to which the EPF & MP Act 1952 applies. All the employees who are members of the PF are also the members of this Scheme.

8.2 Benefits under the Scheme:

On the death of an employee, while in service, who is the member of the EPF or the Exempted Provident Fund, the persons entitled to receive the provident fund accumulation shall be paid additional amount equal to the average balance in the provident fund account of the deceased during the preceding

twelve months wherever the average provident fund balance is less than Rs.35,000/-. In case the average balance in Provident Fund exceeds Rs.35,000/- , the amount payable will be Rs.35,000/- plus 25% of the average balance in excess of Rs.35,000/- subject to ceiling of Rs.60,000/-. With effect from 18.06.2010 on the death of an employee, who is a member of the Fund or of a Provident Fund exempted under Section 17 of the Act, as the case may be, the persons entitled to receive the provident fund accumulations of the deceased shall in addition to such accumulations be paid an amount, equal to the average balance in the account of the deceased in the Fund or of a Provident Fund exempted under section 17 of the Act, as the case may be, during preceding twelve months or during the period of his membership, whichever is less, except where the average balance exceeds rupees fifty thousand, the amount payable shall be rupees fifty thousand plus 40% of the amount in excess of rupees fifty thousand subject to a ceiling of rupees one lakh. With affect from 08.01.11, the member who was in the employment for a continuous period to twelve months, preceding the month in which he died, the person(s) entitled to receive the provident fund accumulations of the deceased shall, in addition to such accumulations be paid an amount, equal to the average monthly wages drawn (subject to maximum of rupees 6,500/-) during the twelve months preceding the month in which he died, multiplied by twenty times or; the amount of benefit under sub-paragraph (1) whichever is higher.

8.3. Contribution:

Employers of the Covered establishment are required to pay contributions to the Insurance Fund at the rate of 0.5% of PF wages. During the year 2011-12, a sum of Rs.738.52 lakhs was realized and a sum of Rs.197.84 lakhs was paid to the beneficiaries of 705 cases.

8.4 Administrative and Inspection Charges:

The Administrative charges are collected from the employers at the rate of 0.01% of the PF wages subject to the minimum of Rs.2/- per month. Inspection charges are collected from establishment exempted under EDLI Scheme at the rate of 0.005% of PF wages. The amount collected towards Administrative and Inspection charges were Rs. 22.89 lakhs.

8.5 Investment:

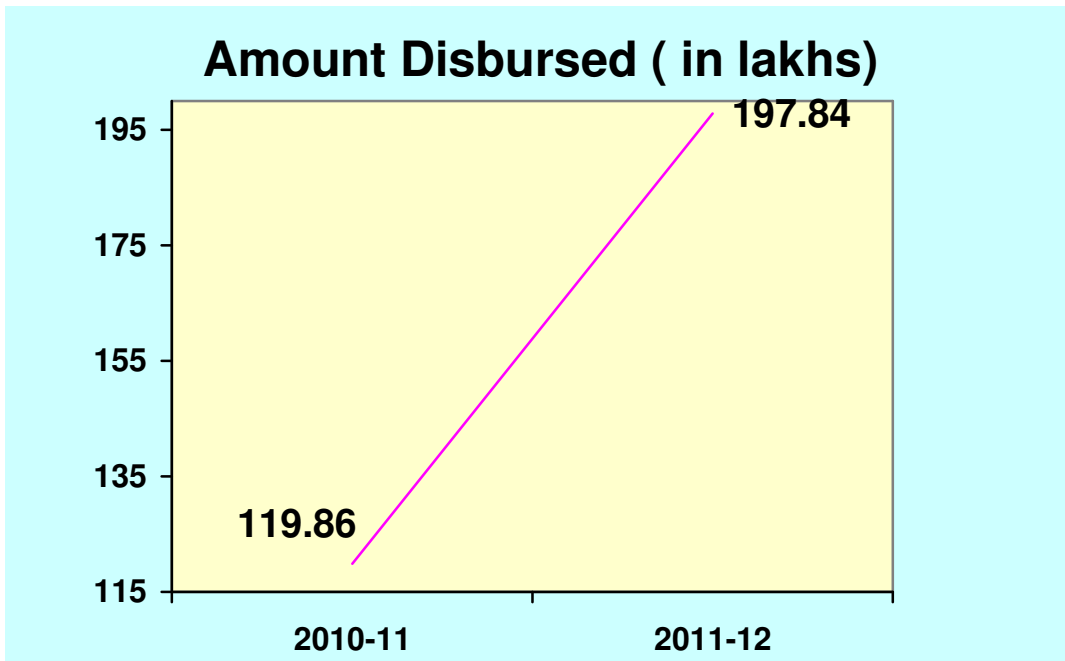
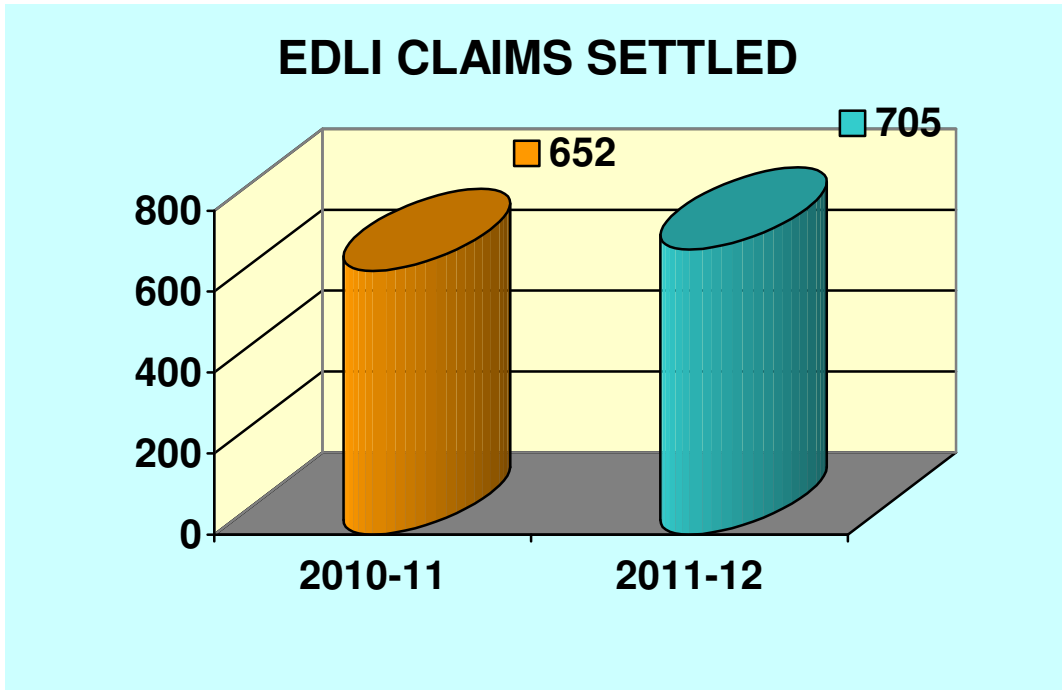
A sum of Rs.564.00 lakhs were transferred to Investment Account after disbursement of benefits to the beneficiaries.

8.6 Exemption from the Scheme:

On the request of the employer, Central Provident Fund Commissioner is empowered to grant exemption to any establishment from the operation of the provisions of the Insurance Scheme, if the employees of such establishments without making any separate contribution or payment of premium are in enjoyment of benefit in the nature of life insurance, whether linked to their deposits in provident fund or not, and such benefits are more favourable to such employees than the benefits admissible under the insurance scheme. At the end of the financial year there were 330 establishments exempted from EDLI Scheme.

Settlement of Claims: Rs. 197.84 lakhs have been paid to 705 beneficiaries during the year 2011-12.

DIAGRAM-12



CHAPTER - 9**HUMAN RESOURCE DEVELOPMENT**

Officers and staff are the backbone of any service organization, but for their devotion and promptitude, the achievements reported above would not have been possible.

The man power in position: Total staff in position of the Region including Officers and Staff is 422 as on 31.03.2012. Group-wise in position of Officers and Staff is given in Table-32 below.

Table - 32	
Category of Employee	Staff in Position
Group A	16
Group B	306
Group C	100
Group D	0
TOTAL	422

9.1 Training:

As an ongoing process in Human Resource Developments, both the officers and staff of the Organisation are trained in the fields of Management and Functional areas. The organization has a National level Training Institute at New Delhi, where the training courses for officers are conducted. During 2011-12, 8 officers of this Region underwent training on various topics in Management and Functional areas. Similarly, the Zonal Training Institute at Chennai organized training courses for the staff members at Zonal level. During 2011-12, 51 staff members were trained on various topics, by Zonal Training Institute, Chennai.

9.2 Sports and Recreational Activities:

The recreational activities are organised through Recreation Club and organised various sports, Games, literary and cultural activities for the staff members on the occasion Rajyothsava and Club day celebrations. The retirement functions (Farewell) of 7 officials were conducted during the year 2011-12. Sports day in connection with club day was conducted on 16-12-2011. Besides this, the club has actively participated in the Independence & Republic day celebrations.

9.3 Staff Welfare Activities:

The details of welfare activities undertaken during the year are as follows:

1. Book award of Rs.1500/- each has been paid to 36 children of staff members of Mangalore Region who secured 80% and above marks in 10th standard and 23 children in 12th standard.
2. Scholarship (fresh) paid to 18 students and 11 scholars were awarded Renewal of Scholarship @ Rs. 6000/- each.
3. During the financial year an amount of Rs. 3,24,360/- was given from Staff Welfare Fund for providing 'Comprehensive Medical Check up' facility to the staff members those who have attained the age of 50 years including their spouse.
4. Honoured nine retired officials/Officers of Mangalore Region by presenting memento valuing Rs. 4000/- each from the Staff Welfare Fund.
5. Death Relief Fund/Financial Assistance of Rs. 4,00,000/- was given from the Staff Welfare Fund to the family members of the two deceased officials of Mangalore Region and Rs. 1,00,000/- was paid as full payment to the family member of one deceased official.
6. Special grant-in-aid has been paid from Staff Welfare Fund for observation of Special Days, Excursion, and Books for Recreation Club Library etc. through Staff Recreation Club of Mangalore Region.
7. Free Medical checkup camp has been organized by Staff Welfare Committee of Regional Office, Mangalore for all Staff members with the co-operation of Yenepoya Speciality Hospital, Mangalore.

9.4 Productivity Linked Bonus (PLB): Payment of Productivity Linked Bonus based on the work done by its employees is in vogue from 1980-81. The Scheme was revised in 1987 and later in December 1999 enhancing the upper ceiling limit of Bonus from existing 40 days to 60 days. The new Scheme provides Productivity Linked Bonus on the basis of productivity of each Region. This Region has paid Productivity Linked Bonus to its employees at the maximum since inception of the Scheme. A sum of Rs.2901109/- has been disbursed during the year 2011-12 on account of Productivity Linked Bonus.

CHAPTER - 10 PUBLIC GRIEVANCES

Redressal of Public Grievances:

All the offices of the Region are equipped with full-fledged facilitation centers, attended by Public Relation Officer and supporting staff. The organization in tune with its objectives lays considerable importance to the redressal of grievance of its customers. Close monitoring of the cases received, timely action to settle the case within 30 days has caused considerable reduction in the number of cases registered in all offices.

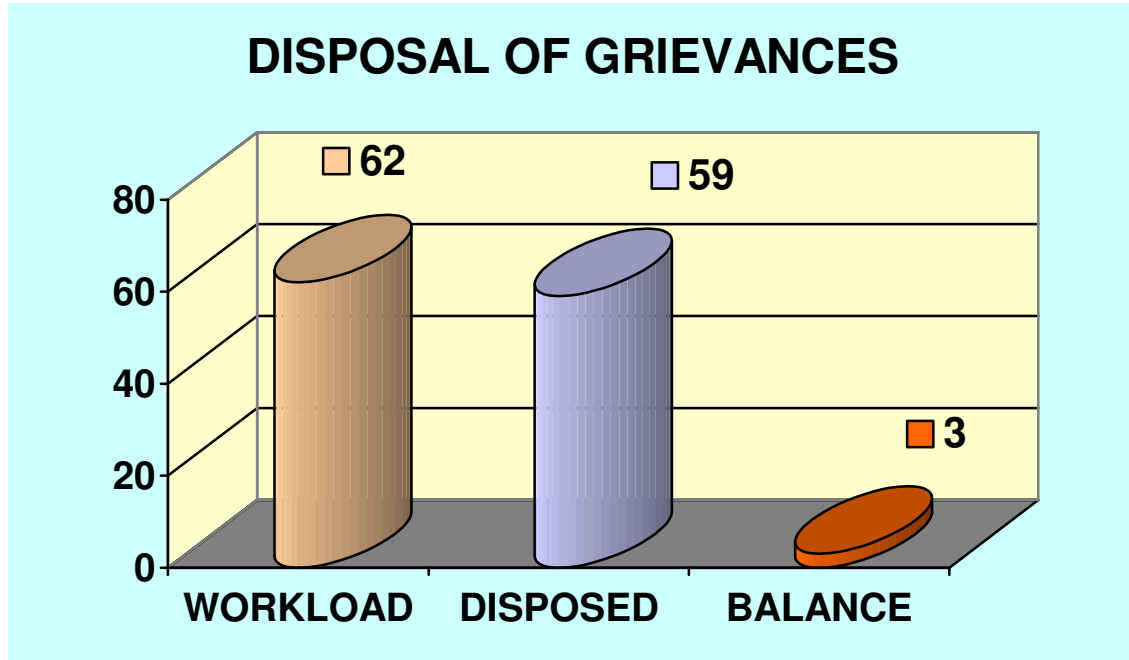
The details of grievances received and redressed during 2011-12 are given in TABLE 33.

DISPOSAL OF GRIEVANCES

TABLE-33			
Office	Cases Registered	Cases settled	Cases Pending
RO, MANGALORE	8	8	0
SRO, MYSORE	6	6	0
SRO, CHIKMAGALUR	7	4	3
SRO, SHIMOGA	5	5	0
SRO, UDUPI	36	36	0
TOTAL	62	59	3

Bhavishyanidhi Adalat has also been held on 10th of every month in all offices and the grievances received in the Adalat were settled on the spot by the Officers in charge of each office.

DIAGRAM-13



The details of grievances received in Adalat and redressed during 2011-12 are given in TABLE 34.

TABLE 34.

Bhavishyanidhi Adalats conducted				O.B (as on 01.04.11)	Grievances received	Grievances redressed	Balance
Office	Inside the Office	Outside the office	Total				
R.O, Mangalore	12	0	12	0	51	51	0
SRO, Mysore	12	0	12	0	12	12	0
SRO,Chikmagalur	12	0	12	0	0	0	0
SRO,Shimoga	12	0	12	0	0	0	0
SRO,Udupi	12	0	12	4	27	26	1

CHAPTER- 11

PHYSICAL FACILITIES

11.1 Office Building:

Own office buildings are completed in the following offices.

Sl. No.	Name of the office	Date occupied
1	Regional Office, Mangalore	19.11.2000
2	Sub Regional Office, Mysore	29.07.2004

Following offices are still functioning in rented building.

1. Sub Regional Office, Chikmagalur
2. Sub Regional Office, Udupi
3. Sub Regional Office, Shimoga

SRO Chikmagalur has acquired land for construction of office Building during 2011-12

11.2 Staff Quarters:

Availability of Residential quarters for officers and staff members of the offices are as under.

Name of the Office	Types of Staff Quarters				
	Type I	Type II	Type III	Type IV	Type V
Regional Office, Mangalore	16	48	40	8	1
Sub Regional Office, Mysore	4	8	32	1	1

CHAPTER - 12

PROGRESSIVE USE OF HINDI

Official Language Implementation:

In pursuance of the Official Language Resolution, 1968 and in the light of the Annual Programme issued by the Department of Official Language to speed up the propagation and development of Official Language Hindi and also to accelerate its progress for official purposes, Employees' Provident Fund Organisation, Regional Office, Mangalore has made all out efforts to achieve the target fixed under the official language implementation policy of Government of India.

Employees' Provident Fund Organisation, Regional Office, Mangalore, Sub Regional Office, Mysore and Sub Regional Office, Udupi have been notified under Section 10(4) of the O L Act in the Govt. of India Gazette. Hindi typing training is imparted in a phased manner at R O Mangalore and have completed 100% target fixed for typing training.

Regional Office, Mangalore has published the 15th issue of the Regional level in house magazine "**MANGAL NIDHI**"

The Quarterly meetings of the OLIC have been done as per the schedule and the minutes circulated in bilingual forms.

All the documents under Sec.3 (3) of the OL Act were issued in bilingual form and all the correspondences under Sec.5 of the OL Act have been done in Hindi or in bilingual form. Regional Office, Mangalore has crossed the target fixed by Ministry of Home affairs vide its annual programme for the original correspondence also. 6 officials have been awarded with cash prize for Annual Noting and Drafting competition and 14 officials under EPFO cash incentive

Schemes. 1 official from Regional Office Mangalore bagged prize at TOLIC level competition held at Mangalore.

15 workshops were conducted in the region during the year and 127 officials were trained through these workshops.

Hindi fortnight and Hindi day were celebrated in the month of September. 60 officials were awarded with cash awards for the 5 various competitions conducted during the said month including Regional Office Mangalore and Sub-Regional Offices of Mangalore Region.

Town Official Language Implementation Committee level Hindi News reading competition was also organized by Regional Office, Mangalore for all Central Govt. Offices, Banks and Public Sector undertakings situated in Mangalore during the Hindi Month. We have also participated in all TOLIC programmes and served as Judges for various competitions conducted by Mangalore TOLIC/Member Organisation and also as faculty member for the workshops organized by Mangalore TOLIC & various other departments and participated in the seminars organized by various organizations at Mangalore. R.O, Mangalore has bagged TOLIC 1st prize with a Shield and obtained Merit Certificate during this year for excellence in implementing the official language policy of Govt. of India.

CHAPTER - 13**RIGHT TO INFORMATION ACT, 2005**

Government of India has enacted Right to Information Act, 2005 with an object to provide information in order to promote transparency and accountability in the working of every public authority.

Since the above Act applies to EPFO also, the RPFC-I, R.O. Mangalore is the Appellate authority and he has nominated RPFC II/Officers-in-charge of all Sub Regional Offices coming under the jurisdiction of Mangalore Region as Central Public Information Officer.

The details regarding position of applications received in Mangalore Region during 2011-12 is as under:-

	Opening Balance	Received during the year (including) cases transferred to other Public Authority	No. of cases transferred to other Public Authorities	Decisions where requests/ Appeals rejected	Decisions where requests / appeals accepted	Balance
Applications received	0	446	13	28	403	2
First Appeals	0	23	0	3	20	0

ANNEXURE - 1						
MAJOR DEFAULTERS						
Sl. No.	Code No. & Name of the establishment	Period of default	P F contributions	PD	7Q	Total Default (in lacs)
REGIONAL OFFICE, MANGALORE						
1	KN/5060- Indian Plywood, Nettana (*)	04/92-07/02	10.73	0	0	10.73
2	KN/38278-Myzas Technologies(*)	03/01-05/05	13.69	0	0	13.69
3	KN/4076-Hotel Motimahal (*)	04/00-08/03	19.22	0	0	19.22
4	KN/20898-MESCOM (*)	Dec. 2004	266.43	0	0	266.43
SUB REGIONAL OFFICE, MYSORE						
1	KN/2260- Ideal Jawa (P) Ltd.(**)	08/89-06/96	409.69	410.07	248.38	1068.14
2	KN/8746- KBBC Ltd. (**)	09/92-02/93	22.43	25.15	20.98	68.56
3	KN/9759- Orrcee Electronics (**)	03/90-04/96	13.73	0	0	13.73
4	KN/14765- Shimoga Castings (***)	09/97-09/00	20.50	0	0	20.50
5	KN/9571- KTR Securities (***)	08/97-01/99	20.83	0	0	20.83
6	KN/22383- Muslim Education Society(*)	03/02-11/02	30.81	0	0	30.81
7	KN/22643 M/s. J J Enterprises Mysore	07/02 to 02/08	6.33	402	2.58	13.11
8	KN/18400 - Rifan-UI-Musulmeen Edn. Society (***)	08/92-01/01	0	10.47	0	10.47
9	KN/7184 Mahadeshwara Sugars	04/01 to 10/01	0	32.9	11.4	44.3
10	KN/22136 M/s. Pasari Spinning Mills	10/07 to 05/09	23.29	0	0	23.29
11	KN/22470 – M/s. Spectra Lamps Ltd.(***)	06/01-8/07	10.41	0	0	10.41
12	KN/22389 M/s.Vijaya Halocoils	05/05 to 02/06	13.67	0	0	13.67

SUB REGIONAL OFFICE, CHIKMAGALUR						
1	KN/642 M/s. Alageshwara Estates Ltd., (*)	03/06-03/09	33.76	0	0	33.76
2	KN/301 M/s. Balekhan Estate (*)	03/06-03/09	17.91	0	0	17.91
3	KN/378 M/s. Kerehuckloo Estate (*)	03/06-03/09	14.21	0	0	14.21
4	KN/37308 SVM College	01/04 to 08/10	16.76	0	0	16.76
SUB REGIONAL OFFICE, SHIMOGA						
1	KN/1118 - Sonalkar Tool Works Pvt. Ltd., Harihar (***)	03/87 - 12/98, 06/96-12/96, 12/94-02/05	28.51	0.43	0	28.94
2	KN/1370- Tungabhadra Sugars, Shimoga (*)	04/83-02/96, 02/91-07/96 & 01/95- 04/96	40.08	23.06	0	63.14
3	KN/18095- Talaguppa Plywood Shimoga (***)	04/94-02/00	0	28.60	6.02	34.62
4	KN/40017 - Sumalata Computers, Davangere (*)	12/00-09/05	30.52	0	0	30.52
5	KN/7129- M/s. Bhadra Sugars Davangere (*)		0	17.87	6.14	24.01
6	KN/54 - Ganesar Textiles (*)	05/1994-2/00	0	27.06	0	27.06
7	KN/8097-M/s. Deshiya Vidya Shala (*)	04/93-03/09	39.14	0	0	39.14

SUB REGIONAL OFFICE, UDUPI						
1	KN/5611 - Indian Plywood Hangarcutta (*)	03/94-02/01	0	48.12	0	48.12
2	KN/12183 - D.K. Sahakari Sakkare Kharkhane (*)	07/98 - 01/08	17.58	31.98	13.13	62.69
3	KN/20811 - Sai Securities (*)	09/00-06/05	19.00	0	0	19.00
4	KN/12714-Gulavady Tile Works (*)	11/06-9/02	0	9.95	4.15	14.10

(*) Stay by Court (**) Under Liquidation (***) NIR