



PLANNING AND ECONOMIC AFFAIRS (BPE) DEPARTMENT  
No.20545/BPE-2/94/Plg., Thiruvananthapuram,

**Dated, 7<sup>th</sup> March 1995**

**CIRCULAR**

Sub:- Fulfilment of Statutory obligations of Public Sector “Employer’s”  
under Labour Laws – Directions issued.

In Some of the statutes enacted or the Welfare of Labour, the employers of establishment specified therein will have to make contribution to the funds constituted as per the statutory provisions. For example, as per the Employees’ Provident Funds (Miscellaneous Provisions) Act 1952, the ‘employers’ have to recover from their employees’ Provident Fund contributions at the prescribed rate and also make employers’ contribution at equal rate together with administrative charges. The amount so payable has to be paid within 15 days of the close of every month. Any default in this regard constitutes an offence cognizable under the Indian Penal Code and would entail penal action against/and payment of damages by the employer, as per provisions of the ‘Employees’ Provident Funds (Miscellaneous Provisions) Act, 1952 (Act 19 of 1952) .

Similarly, under Employees’ Stat Insurance Act, 1948 the employers have to make some contribution which have to be made within 21 days of the last day of the wage period in which the contribution falls due. Any contravention to the provisions of the Act is an offence punishable with imprisonment for a term not exceeding six months or with fine not exceeding Rs.1,000 or with both.

Instances where there have been lapses on the part of the management of Public Sector Undertakings observing the provisions of Labour Laws have come to the notice Government. The Public Undertakings Committee of the Kerala Legislature (1989-1991), while considering the case of such a lapse on the part of a public sector undertaking, observed that it is a serious omission on the part of the officials of the company.

It is needless to emphasize that the employers in public sector undertakings should scrupulously observe the various provisions in the statutes relating to Labour Welfare. Any lapse in this regard will be viewed seriously in future. In the event of prosecution as per the provisions of the statutes against the officers responsible for such lapses, Government will not interfere and the delinquent officers themselves will have to pay the penalty and / or undergo the punishment.

**R.C. CHOUDHURY**  
Commissioner and Secretary