

Gist of CFI Meeting with Central Provident Fund Commissioner

A delegation of CFI representatives had a meeting with Dr. V. P. Joy, Central Provident Fund Commissioner on 16th June 2016 at his Office in New Delhi. The representatives included Mr. Narayan Rao K, Head (HR), NCC Limited, Mr Jairam Kadam, Dy. General Manager (HR) and Mr. Sanjay Johar, Dy. General Manager (HR) respectively from Hindustan Construction Co. Ltd., Mr. S N Mishra, Dy. General Manager (HR), Punj Lloyd Ltd., Mr. Anil Punia, Dy. Manager (HR), ITD Cementation, Mr. Siddharth Singh, Secretary General and Mr. Shiv Rawat, Deputy Director, respectively from CFI.

The objective was to discuss the problems arising from implementing the Provident Fund Act due to peculiar nature of the construction industry and the attention of Commissioner was drawn to complexities arising from dependence on chain of Sub-contractors; absence of fixed premises; uniqueness of each construction Job; multi-tier system; identification of beneficiaries; problems being faced by introduction of UAN. A copy of representation submitted to Central Provident Funds Commissioner on April 19, 2016 is attached.

During the discussion, Dr. Joy was also informed of the problems resulting from PF inspections, notices etc. even when all efforts were being made for the compliance. It was highlighted by CFI that the construction sector was committed to compliance but desired a rationale system to facilitate the same.

In his response, Dr. V P Joy made the following important observations:

1. The government was well aware of the short comings in the present system. This was obvious on the fact that many workers in the unorganized sector were not willing to avail benefit of provident fund schemes as they existed now. They prefer to payment in cash rather than seek a long-term benefit for which they have to deal with a cumbersome administrative set up. Blaming the employers for these short comings would not resolve the underlying basic problems.
2. The government, therefore, had decided to sort this problem out through application of technology and suitable easing of the system so that the benefit was given to the employees without any hassle by ensuring automatic deposit of fund in the accounts.
3. The details of new systems were worked out and should be ready within next 3-4 months.
4. The industry should also take an interest in creating awareness amongst the employees and encouraging the sub-contractors for full compliance.

5. The major client organization such as DMRC, Railways etc. were being asked to take the responsibility for implementation of PF rules by incorporating suitable clause in the tender documents itself.
6. The government was also aware of multiplicity of welfare schemes including BOCW and ESI that needed suitable integration and simplification.

The representatives requested the PF Commissioner to discourage the incidence of problems arising from cases /observations for which the contractors could not be held responsible given the complexity of the implementation in the infrastructure construction projects. It was also pointed out that the benefits of modern technology have yet not percolated fully, particularly in remote and backward areas and such limitations should be kept in mind.

The CFI representatives assured the Commissioner of their support in creating awareness for enlarging the coverage of PF amongst the weaker sections and also encourage the sub-contractors to work for the same objective. To this end, suitable interactions could be organized with Central PF Commissioner and regional level Commissioners at Hyderabad /Mumbai. The Commissioner agreed to consider participating in such events.